

Highways and Transport Committee

Agenda

Date:	Thursday 2 March 2023
Time:	10.30 am
Venue:	The Capesthorne Room - Town Hall, Macclesfield SK10 1EA

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the top of each report.

It should be noted that Part 1 items of Cheshire East Council decision making meetings are audio recorded and the recordings will be uploaded to the Council's website

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. Apologies for Absence

To note any apologies for absence from Members.

2. Declarations of Interest

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

3. Minutes of Previous Meeting (Pages 3 - 12)

To approve as a correct record the minutes of the previous meeting held on 26 January 2023.

4. Public Speaking/Open Session

In accordance with paragraph 2.24 of the Council's Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

For requests for further information

Contact: Nikki Bishop

Tel: 01270 686462

E-Mail: Nikki.bishop@cheshireeast.gov.uk

Members of the public wishing to speak are required to provide notice of this at least three clear working days' in advance of the meeting.

5. Notice of Motion: Tree Planting (Pages 13 - 18)

To consider a report in response to a Notice of Motion proposed at Council in October 2022 in relation to the planting of trees on the highway.

6. Highways Tree Safety Inspection Policy and Code of Practice (Pages 19 - 52)

To consider a report which proposes to adopt a new policy for Highway Tree Maintenance and Inspections and a Code of Practice for Highway Tree Safety Inspections.

7. Highways and Transport 2023-24 Programmes (Pages 53 - 74)

To receive an update on the capital and revenue budgets available for the highway service for 2023/24.

8. 2022/23 Financial Update (Pages 75 - 104)

To receive an update on the financial position for 2022-23.

9. Work Programme (Pages 105 - 106)

To consider the Work Programme and determine any required amendments.

THERE ARE NO PART 2 ITEMS

Membership: Councillors S Akers Smith, M Benson, C Browne (Chair), L Braithwaite, L Crane (Vice-Chair), H Faddes, A Gage, L Gilbert, I Macfarlane, C Naismith, M Sewart, D Stockton and P Williams

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Highways and Transport Committee**
held on Thursday, 26th January, 2023 in the The Capesthorne Room - Town
Hall, Macclesfield SK10 1EA

PRESENT

Councillor C Browne (Chair)
Councillor L Crane (Vice-Chair)

Councillors S Akers Smith, L Braithwaite, H Faddes, A Gage, I Macfarlane,
C Naismith, M Sewart, D Stockton, P Williams, S Holland and L Smetham

OFFICERS IN ATTENDANCE

Tom Moody, Director of Highways and Infrastructure
Mike Barnett, Head of Highways
Richard Hibbert, Head of Strategic Transport and Parking
Mandy Withington, Principal Lawyer
Samantha Oakden, Principal Accountant
Wendy Broadhurst, Lead Finance Partner
Paul Mountford, Democratic Services Officer
Nikki Bishop, Democratic Services Officer

The Chair referred to the recent sad death of Councillor Steve Carter.
Committee Members observed a minute's silent reflection in tribute.

The Chair welcomed Mike Barnett, newly appointed Head of Highways, to his
first Highways and Transport Committee meeting.

The Chair advised that item 11 – Medium-Term Financial Strategy 2023-27
would be considered after item 4 – Public Speaking/Open Session.

39 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Les Gilbert and
Councillor Mike Benson. Councillor Sally Holland and Councillor Lesley
Smetham attended as substitutes.

40 DECLARATIONS OF INTEREST

Councillor Sally Holland declared an interest in an item on the agenda
relating to the minutes of the Public Rights of Way Committee. Councillor
Holland confirmed that she was an acquaintance of Mrs Andrea Bossen.

In relation to the agenda item on the Congleton Greenway – River Dane Bridge and Multi-user path, Councillor Suzie Akers-Smith, in the interest of openness, declared that she was the Cheshire East Cycling and Walking Champion.

41 MINUTES OF PREVIOUS MEETING

It was requested that the minutes of the previous meeting be amended to reflect Councillor Phil Williams' attendance at the meeting.

RESOLVED:

That the minutes of the meeting held on 24 November 2022 be approved as a correct record, subject to the above amendment.

42 PUBLIC SPEAKING/OPEN SESSION

Sue Helliwell attended the Committee Meeting to make a statement in relation to item 5 – Notice of Motion: Criteria for the installation of Zebra Crossings and Light Controlled Crossings, on behalf Sarah Bradley, a member of a Facebook Group called The Hill Crossing Campaign. Ms Helliwell stated that the original campaign in 2018 for a crossing on the A533, The Hill, Sandbach was turned down as there was no private or public funding available, and the footfall criteria had not been met. There was a petition with over 1,500 signatures in support of the campaign and Sandbach Town Council had given their unanimous support.

Stuart Redgard attended the Committee Meeting to make a statement in relation to item 10 – Highways and Infrastructure: Mid-Year Performance Review. Mr Redgard outlined his concerns relating to the performance of the Highways and Infrastructure department. Cllr Browne undertook to ensure that a formal written response would be sent to the issues raised.

43 MEDIUM-TERM FINANCIAL STRATEGY 2023-27 CONSULTATION

The Committee received a report on the Medium-Term Financial Strategy (MTFS) for 2023-2027 and the revenue and capital proposals contained within the MTFS relating to the Committee's responsibilities. As part of the consultation process the Committee was asked to consider the proposals within the remit of the Committee and provide comments and feedback to the Corporate Policy Committee for consideration on, 9 February 2023, before a balanced budget was presented to the full Council meeting of 22 February 2023 for final review and approval.

The following comments were raised by Committee:

- Members raised concerns around the consultation process and that Committee Members had not been involved in the drawing up of the proposals before them in the report. Committee Members requested

to receive the background information (High Level Business Cases – ‘HLBCs’) supporting the proposals as soon as possible.

Tom Moody advised that HLBCs would be presented to the Corporate Policy Committee on 9 February and agreed to explore when it would be feasible to share this information with Committee Members.

- Proposal 108: Parking – Members highlighted that any increase in the current parking charges would have a detrimental impact on town centre recovery, local businesses and residents. Members felt that the current car park charging policy was unfair and there needed to be a consistent and fair policy across the borough. Members queried when the expansion of car park charging to other towns would be considered at Committee and if guidance would be provided to Members to gauge satisfaction with residents.

The Chair confirmed that car parking proposals were due to be considered at the first Highways and Transport Committee meeting scheduled for the new municipal year.

- Proposal 105: Energy saving measures from streetlights - Members raised concerns around the potential public safety implications as a result of switching off streetlights. Members also queried if there were likely to be costs incurred as a result of handling an increase of calls reporting broken streetlights. It was suggested that those streetlights purposefully switched off are clearly marked to avoid this. It was asked if there was a way of targeting any reduction of lighting to areas where there may be ecological benefit to do so.

Cllr Smetham suggested that streetlighting in critical and problematic areas could continue but queried what the significant difference between rural and urban areas was. Mike Barnett committed to providing a more detailed response on the criteria for installing streetlighting in urban/rural areas.

- Members agreed that some of the proposals were unpalatable but recognised the extremely difficult financial situation facing the Council.

RESOLVED (by majority):

1) That the Committee notes:

- a) the year-end forecast outturn position for 2022/23, as set out in Appendix 1 to the report.
- b) the financial context and proposals contained within the Executive Summary of the Medium-Term Financial Strategy (as set out in the MFTS report at Annex C, Section 1).
- c) the Revenue Grant Funding, as set out in Appendix 4 to the report.

- d) the Earmarked Reserves, as set out in Appendix 5 to the report.
- 2) The Committee feedback be noted on the proposals within the MTFS, as related to the Committee's responsibilities, that can support and advise full Council in fulfilling its responsibilities to approve a balanced budget for 2023/23 in the following areas:
 - a) Revenue Proposals, as detailed in Appendix 2 to the report
 - b) Capital Programme, as detailed in Appendix 3 to the report.

44 NOTICE OF MOTION: CRITERIA FOR THE INSTALLATION OF ZEBRA CROSSINGS AND LIGHT CONTROLLED CROSSINGS

The Committee considered the report in response to a Notice of Motion put to Full Council in October 2022.

The motion, which had been proposed by Cllr Suzie Akers-Smith and seconded by Cllr Lata Anderson, proposed that 'a report be prepared for the relevant Committee which will enable the Council to review the criteria for traffic light timings and to review the criteria for the installation of zebra crossings and light controlled crossings with the ambition to installing more each year'.

The report outlined proposals to review the Council's current Pedestrian Crossing Policy, with an exercise to be undertaken to engage with identified stakeholders to develop an approach to the provision of controlled and uncontrolled pedestrian crossing facilities that considers pent-up pedestrian demand.

Members requested that the policy review:

- further explores different types of zebra crossings and crossing points at junctions of roundabouts.
- consider alternative interventions to pedestrian crossings and how these could be achieved.
- review the condition of road surfaces at pedestrian crossings.
- develop a 'Frequently Asked Questions' document for members setting out the criteria for pedestrian crossings to be developed.

RESOLVED (unanimously):

That the Committee endorses the proposed response to the Notice of Motion with a review to be undertaken to the Council's approach to:

- a) Traffic signal timings.
- b) The criteria for the installation of zebra crossings and light controlled crossings.

with the aim of updating the existing policy.

45 NOTICE OF MOTION: SAFE NIGHT-TIME TRAVEL FOR WORKERS

The Committee considered a report in response to a Notice of Motion put to Full Council in October 2022. The motion, which had been proposed by Cllr Laura Smith and seconded by Cllr Sally Handley, proposed a number of actions to improve night-time travel for workers.

Councillor Laura Smith, who addressed the Committee as the proposer of the Notice of Motion, encouraged Committee Members to consider introducing workable solutions to ensure safe night-time transport was available whilst working with those delivering transportation to deliver a number of key priorities outlined within the Notice of Motion.

It was moved and seconded that the recommendations in the report be approved subject to the deletion of recommendation 3.2.3 and the insertion of an alternative recommendation that ‘the Council continue to consider municipal ownership of buses in Cheshire East in the future’.

The motion was carried by majority.

RESOLVED (by majority):

That the Highways and Transport Committee agrees:

1. To endorse the proposed response to the Notice of Motion, which would be made available on the Council’s Highways and Transport webpages.
2. That the Council continue to engage with local bus operators through its Enhanced Partnership arrangements acknowledging that any consideration of improved evening and late-night services on the local bus network would be dependent on central government funding, such as the Government’s Safety of Women at Night Fund, being made available to provide financial support.
3. That the Council continue to engage with the Greater Manchester Combined Authority to ensure their plans for bus franchising protect cross boundary bus services.
4. That the Council continue to consider municipal ownership of buses in Cheshire East in the future.

Note: Councillor Mike Sewart left the meeting at this point.

46 HIGHWAY ASSET MANAGEMENT POLICY, PLAN AND STRATEGIES

Consideration was given to a number of new and updated strategies and plans which would enable the further application of high-quality asset management principles and the promotion of safety in the stewardship of the Borough’s highway network.

It was highlighted to members that failure to operate the Asset Management Principles would risk a reduction of c.£1.45m funding. Taking a 'worst first approach' would see the overall condition of the highway network deteriorate and risks on the network unmitigated. The Chair suggested that the Council needed to do more to communicate this with residents.

Councillor Laura Crane queried when the Inspection Code of Practice Policy would be brought forward for consideration at Committee. Officers committed to provide a written response to clarify timescales.

RESOLVED (unanimously):

That

1. The updated Highway Asset Management Policy 2023 be adopted as policy and subsequently implemented operationally.
2. The updated Highway Asset Management Strategy 2023 be adopted as policy and subsequently implemented operationally.
3. The new Highway Infrastructure Asset Management Plan 2023 be adopted as policy and subsequently implemented operationally.
4. The updated Cheshire East Resilient Highway Network Plan 2023 be adopted as policy and subsequently implemented operationally.
5. The updated Highway Safety Inspection Code of Practice be adopted as policy and subsequently implemented operationally.
6. Authority be delegated to the Director of Highways and Infrastructure to make technical amendments to the Highway Asset Management Policy, the Highway Asset Management Strategy, Highway Infrastructure Asset Management Plan, Resilient Highway Network Plan and the Highway Safety Inspection Code of Practice as required and to update the Highways and Transport Committee on any significant changes at a future meeting.
7. Authority be delegated to the Head of Highways to make and approve amendments to the Asset life cycle plans and life cycle plan summaries.

47 THE CONGLETON GREENWAY - RIVER DANE BRIDGE AND MULTI-USER PATH

Consideration was given to the report which set out the feasibility work undertaken to date by the Council to deliver a new pedestrian and cycle bridge over the River Dane, Congleton. The report provided an update on the estimated costs, funding assumptions and constraints of delivering a new pedestrian and cycle bridge crossing of the river Dane. The report

sought approval to put on hold any immediate plans to develop this Scheme and to continue to investigate future funding options.

Members requested:

1. Assurance that developer contributions that already exist and those that come forward in the future are ring-fenced for the project.
2. A future update is provided to the Committee on the funding position going forward.

RESOLVED (by majority):

1. Highways and Transport Committee approve that further project development of the Scheme is put on hold until a viable delivery strategy for the Scheme is established.
2. Highways and Transport Committee notes that:
 - a. A further report will be brought back to Committee to decide on the future of the Scheme if a viable delivery strategy can be established.
 - b. A planning obligation associated with a development on the western side of the river will provide the Connecting Route between the Scheme and the western side of the river as per the planning conditions associated with Planning consent 20/5760C.
 - c. That the Connecting Route cannot be constructed to a fully accessible standard, be provided with Street Lighting, or meet the current requirements for Cycling Infrastructure as defined in national guidelines.
 - d. The latest delivery cost estimate at this stage of development for the Scheme is now £5.3M, including an allowance for inflation, at an expected construction date of 2026.
 - e. That this revised cost envelope means that the Scheme is now not able to be funded through the Council's own local resources (including developer contributions) and that funding would now need to include an external funding contribution.

Councillor Suzie Akers-Smith left the meeting at this point.

48 IT'S NOT JUST WATER - OFFICER RECOMMENDATIONS

The Committee considered a report which provided a response to the report of the former Environment and Regeneration Overview and Scrutiny (EROSC) Committee's Working Group – "It's Not Just Water".

Councillor Tony Dean attended Committee on behalf of the Flooding Working Group which produced the report and recommendations “It’s Not Just Water”.

The Committee thanked the Working Group for their time and effort on this important matter.

An amendment was proposed and seconded and subsequently carried which sought agreement to include the Working Group’s recommendation (4) “MPs should be lobbied to bring about change to national flood funding” to the officer report recommendations.

RESOLVED (unanimously):

That the Committee:

1. Approves Officer Recommendation Responses 1 and 2 contained in section 5 of this report in order that they can be implemented operationally, the officer recommendations are:

- Officer Recommendation 1 Response – Governance and Democracy

That the oversight of the LLFA statutory function is retained with the Highways and Transport Committee in line with the current Constitution.

- Officer Recommendation 2 Response – Delivery of the LLFA Function

To retain the current outsourced arrangement for the Flood Risk Management / LLFA delivery function.

Create a standalone LLFA delivery team initially from existing staff resource within the Cheshire East Highways (Ringway Jacobs) organisational structure which for all operational and decision-making matters relating to flood risk management reports directly to the Council’s Head of Highways.

Implement a succinct set of key performance indicators (KPIs) specifically for the delivery of the LLFA function picking up on the key aspects of the Working Groups concerns.

Flood Risk Management / LLFA specific Key Performance Indicators to be reported to the Highways and Transport Committee as part of the bi-annual reports on the performance of the Highways and Infrastructure division.

2. Approves officer responses 3, 4 and 5 to not implement the Working Group Recommendations 3, and 5 detailed in section 5 of this report at the current time given the costs are not within the current Medium Term Financial Strategy (MTFS).
3. Agrees to implement the Working Group Recommendation 4 - to lobby MPs to bring about change to national flood funding.

49 **HIGHWAYS AND INFRASTRUCTURE: MID-YEAR PERFORMANCE REVIEW**

The Committee considered a report which provided an overview on performance across Infrastructure and Highways Services for the first half of 2022-23.

The Committee placed on record their thanks to all staff across the Infrastructure and Highways Service for their continued hard work.

Councillor Naismith fed back what an excellent reporting mechanism the 'Fix My Street' was. Queries were raised around possible technical faults with automated responses being incorrectly sent. Officers committed to investigate this further.

Councillor Holland queried progress on the installation of street lighting on the Congleton Link Road and requested that an update be provided to members of the public to highlight that this was not a design fault. Officers undertook to investigate and provide a response.

RESOLVED:

That the Committee notes the performance of the Infrastructure and Highways Service for the first half of 2022-23 and the ongoing work of the Highways Service to support the delivery of the Council's Brighter Future Customer Strategy.

50 **WORK PROGRAMME**

The Committee received an update on the Work Programme. It was noted that:

- An item on 'Highways and Transport 2023-24 Programme' had been added to the Work Programme for consideration in March.
- The 'Flowerpot Junction Improvement Scheme' item had been rescheduled for consideration at Committee in March.

Members requested an update on:

- Crewe North-West Package and the closure of Middlewich Road.
- Congleton Link-Road temporary 40mph restriction.

Officers committed to take the requests away for consideration.

RESOLVED:

That the work programme be noted.

51 MINUTES OF SUB-COMMITTEES

RESOLVED:

That the minutes of the Public Rights of Way Committee held on 5 December 2022 be received.

The meeting commenced at 10.30 am and concluded at 1.00 pm

Councillor C Browne (Chair)



Working for a brighter future together

Highways and Transport Committee

Date of Meeting: 2nd March 2023

Report Title: Notice of Motion – Tree Planting

Report of: Tom Moody, Director of Highways & Infrastructure

Report Reference No: HT/71/22-23

Ward(s) Affected: All

1. Purpose of Report

1.1. This report responds to the Notice of Motion proposed at Council in October 2022 that stated 'This council declared a climate emergency in May 2019 and has agreed a range of actions to meet its aims to become a carbon neutral council. This council has committed to significant tree planting across the borough:

- The council has supported and directly arranged tree planting programmes on its open spaces as part of its objective to plant the equivalent of 100 football pitches of trees.
- The council's corporate plan states it will introduce a policy on highways land and introduce a borough wide tree policy.
- The council's Carbon Neutral Action Plan notes that tree planting has benefits for biodiversity, the environment individuals, society and the economy.

1.2. Town and Parish Councils are also working to undertake tree planting programmes in their communities but have been limited in their ambitions by the refusal of Cheshire East Highways to grant permission for tree and hedge planting on land held as highway. In addition to the obvious environmental benefits of tree planting, and the enhancement they offer to the street scene, trees along streets offer additional direct health benefits:

- Reducing air pollution
- Reducing stress and improving mental health.
- Reducing noise levels

- Cooling air in summer
- Reducing UV radiation exposure
- Reducing wind speeds thereby reducing heat loss from buildings
- (Source: Health Benefits of Street Trees, Forestry Commission 2011)

1.3. Knutsford Town Council has been seeking permission from Cheshire East Highways to undertake tree planting and hedgerow creation on land held as highway since 2019. It has routinely been advised by senior councillors that the council is reviewing its policy but to date no change in policy has been forthcoming. Cheshire East Highways officers have advised the town council that it cannot permit new planting in the highway due to this council's policy and that this council needs to change its policy for highway officers to be able to assess and permit planting. This prohibition on planting has also prevented the replacement of trees which have been required to be felled meaning the number of street trees in the borough is actively decreasing.

2. Executive Summary

2.1. The Notice of Motion to Council on Tree Planting stated that this council:

- a) recognises the significant benefits of street trees and is committed to increasing the number of street trees across the borough.
- b) will work with Town and Parish Councils to identify suitable locations for tree planting and hedgerow creation.
- c) will ensure its policies require rather than prevent the replacement of felled street trees where appropriate to do so.

2.2. This paper outlines clarifications which are detailed in the Highway Tree Safety Inspection Policy and Code of Practice Committee Report which relate to the planting of trees in the highway.

2.3. The Council recognises the important role that trees have to play in delivering its environmental and climate targets and as such this report outlines proposals for the development of a highway tree planting policy in the next 12 – 18 months. The development of a Policy will help the Council gain funding from external sources.

2.4. The recommendations in this report align with the Council's Corporate Plan. They support the objective of being an open and transparent council as well as supporting sustainability initiatives within our communities which promote a local response to the climate challenge.

3. Recommendations

3.1. The Highways and Transport Committee is recommended to endorse the proposed response to the Notice of Motion, noting:

- The clarification detailed in section 6.20 of the Highway Tree Safety Inspection Policy and Code of Practice Committee Report relating to tree planting.
- The proposed development of a Highway Tree Planting Policy in the next 12 -18 months.

4. Reasons for Recommendations

4.1. In May 2019, the Council made a commitment to be carbon neutral by 2025 and in January 2022, made a further pledge to make Cheshire East a carbon neutral borough by 2045. The planting of trees in the highway in the Borough will help to deliver this.

4.2. The Notice of Motion supports the Corporate Plan 2021 – 25 vision of being 'Green' under the Aim of being 'A Thriving and Sustainable Place' and the priority 'to reduce our impact on our environment'.

5. Other Options Considered

5.1. No other options were considered. In the interests of being open and transparent, the response to this Notice of Motion to Council will be considered by the relevant service Committee in accordance with the Council's Constitution.

6. Background

6.1. The Council's highway network consists of 2700km of highway, this is accompanied by many verges, embankments and areas of open ground. Many of these areas have trees planted in them either by design or through natural self-seeding. These areas provide a great deal of habitat and biodiversity, which contributes to the character of the Borough.

6.2. The Highways and transport Committee is considering a Committee Paper on 2nd March 2023 titled Highway Tree Safety Inspection Policy and Code of Practice. This report outlines that tree planting will be considered on a case-by-case basis, with consideration given to but not limited to:

- The location being part of the publicly maintained highway network.
- Consultation has been undertaken with all neighbouring/adjacent property owners and they are in agreement with the proposed planting.
- The proposed trees being of a suitable species.
- There is a minimum of 1.1metres verge width or more to provide space for the tree to be planted on the grass verge.
- Planting of trees in an existing hard surface, such as tarmac, slabs or paving will generally not be permitted.

- Trees will be planted a minimum of 3m from the edge of the carriageway, depending upon species
- Once mature, the tree will not impact any of the available footway width to ensure pedestrians can pass safely and without obstruction.
- Planting a tree where underground services are present will not generally be considered.
- As the tree grows and matures, it will not conflict with any nearby street lighting, overhead cables or underground pipes/services.
- The tree will not block sight lines at bends or junctions or block the view of the traffic signals or signs, as it grows.
- An appropriate licence to plant will be required (S142 of the Highways Act 1980) including agreement on future maintenance.
- The trees must be installed by an appropriate contractor with necessary street works permit.
- For trees installed as part of new developments, consideration will form part of the technical approvals and include commuted sums for future maintenance.

6.3. The highways service understands that Knutsford Town Council wish to plant a large number of trees in the highway, the level of resource this will require within the service is not available. However, the department will work with Knutsford Town Council to prioritise suitable locations that can be delivered within current resource levels.

7. Consultation and Engagement

7.1. As part of the new approach, it is proposed to undertake a consultation with relevant stakeholders to help identify the factors that should be considered when developing a new approach to tree planting on the highway.

7.2. Work will be undertaken with the Council's Research and Consultation Team to identify the appropriate stakeholders who should be consulted as part of this process.

7.3. The Council's Corporate Plan identifies the need for a Corporate Tree Policy and wider engagement will be undertaken across the Council to ensure a uniform approach.

8. Implications

8.1. Legal

8.1.1. The Highway Authority can use its powers in the Highways Act 1980 to ensure that highways users are kept free from any danger or obstruction which may occur.

8.1.2. The contents of this report and the recommendation to propose development of a tree planting policy have been considered and are supportable based on the information provided.

8.2. Finance

- 8.2.1. The planting of highway trees will place a burden on both the Council's capital budget (planting costs) and revenue budget (maintenance costs).
- 8.2.2. Wherever possible other funding streams including Section 38, ward members budgets, grants and opportunity to work with Town and Parish Councils to joint fund will be considered.

8.3. Policy

- 8.3.1. The development of a highway tree planting policy will be actioned as a result of this Notice of Motion, this development will take place over the next 12-18 months.

8.4. Equality

- 8.4.1. There are no equality implications as a result of this response to the Notice of Motion.
- 8.4.2. Equality impact assessments will be prepared for any proposed Policy amendment.

8.5. Human Resources

- 8.5.1. There are no Human resource implications arising as a result of this Notice of Motion.

8.6. Risk Management

- 8.6.1. The planting of highway trees will see the need for increased tree inspections to identify any defects occurring on any additional trees planted on the network.

8.7. Rural Communities

- 8.7.1. There are no specific rural communities' implications as a result of this Notice of Motion.

8.8. Children and Young People/Cared for Children

- 8.8.1. The planting of trees on the highway won't have any impact on Children and young People/Cared for Children.

8.9. Public Health

- 8.9.1. The introduction of additional trees on the highway network will have a positive impact on public health.

8.10. Climate Change

8.10.1. The planting of trees on the highway will help the council to deliver on its climate change commitments.

Access to Information	
Contact Officer:	Mike Barnett Head of Highways mike.barnett@cheshireeast.gov.uk
Appendices:	None
Background Papers:	Tree Risk Management Strategy (Link to document) – issued May 2021



Working for a brighter future together

Highways and Transport Committee

Date of Meeting:	2 March 2023
Report Title:	Highway Tree Safety Inspection Policy and Code of Practice
Report of:	Tom Moody, Director of Highways and Infrastructure
Report Reference No:	HT/69/22-23
Ward(s) Affected:	All Wards

1. Purpose of Report

- 1.1 The purpose of this report is to bring forward the following new documents for adoption into formal Council practice:
- Highway Tree Maintenance and Inspections Policy
 - Code of Practice for Highway Tree Safety Inspections
- 1.2 The purpose of this report is to also clarify the Department's position on the planting of trees on the highway.

2. Executive Summary

- 2.1 Routine safety inspections are undertaken across the Highway Network to ensure it is safe and fit for purpose, prior to the tree pilot undertaken during 2021/22 this included highway trees.
- 2.2 The introduction of a specific Highway Tree Maintenance and Inspection Policy together with a Code of Practice for Highway Tree Safety Inspections ensures that the Council's highway tree stock is maintained in a safe and sustainable manner and in line with best practice, helping to keep the traveling public safe whilst maintaining an asset that is key to helping the Council deliver on its de-carbonisation and climate change goals.

3. Recommendations

- 3.1 That the Highways and Transport Committee approve that the Policy for Highway Tree Maintenance and Inspections is adopted as policy and subsequently implemented operationally.
- 3.2 That the Highways and Transport Committee approve that the Code of Practice for Highway Tree Safety Inspections is adopted as policy and subsequently implemented operationally.
- 3.3 Authority is delegated to the Head of Highways to make and approve technical amendments to The Policy for Highway Tree Maintenance and Inspections and The Code of Practice for Highway Tree Safety Inspections as required and to update the Highways and Transport Committee on any significant changes at a future meeting.

4. Reasons for Recommendations

- 4.1 The adoption of these documents aligns with the Cheshire East Corporate Plan 2021-2025 aim of being 'A thriving and sustainable place' under the priorities of:
 - 'A transport network that is safe and promotes active travel'.
 - 'Reduce impact on the environment'.
 - 'Be a carbon neutral council by 2025'.
- 4.2 On 13th April 2021, Cabinet approved the adoption of the Council's Tree Risk Management Strategy (TRMS) which recognises that the Council must manage trees within its ownership by managing risk to a level that is as low as reasonably practicable. The TRMS outlines the Council's approach to how it will manage the risks associated with trees by undertaking regular tree inspections and any remedial action in a proportionate and cost-effective manner according to their priority in relation to public safety.
- 4.3 The implementation of the TRMS is the responsibility of the individual service areas and the Policy for Highway Tree Maintenance and Inspections and the Code of Practice for Highway Tree Safety Inspections implement the principals of the TRMS.

5 Other Options Considered

- 5.1 The Council's Highways Team has previously undertaken a basic level of tree inspection as part of the routine highways safety inspections; however, it is considered that in order to align with the TRMS this updated approach must be adopted and as such there are no other options to consider.

6 Background

- 6.1 The Council is responsible for over 2,700km of roads in the Borough, many of these are tree lined, with trees that are either owned by the Council, as the Highway Authority, or adjacent landowners whose trees are within falling

distance of the highway. As such, under the Highways Act 1980, the Council has a responsibility to ensure these trees are in as safe a condition as is reasonably practicable.

- 6.2 In 2021 the Council approved its TRMS, to set out its approach to managing trees within its ownership by managing risk to a level that is as low as reasonably practicable. The TRMS is informed by the National Tree Safety Group's document 'Common Sense Risk Management of Trees' and the Health and Safety Executive's Sector Information Minute 'Managing the Risk from Falling Trees'.
- 6.3 The TRMS ensures a consistent approach to recording defects and managing tree risk across all Council departments and asset groups and sets certain standards such as how driven inspections should be undertaken including inspections being undertaken for the sole purpose of identifying tree defects.
- 6.4 In response to the TRMS, the department have developed a Highway Tree Maintenance and Inspections Policy and a Code of Practice for Highway Tree Safety Inspections.

Pilot Exercise

- 6.5 In order to inform the zoning exercise undertaken as part of the development of the policy and code of practice and to help inform the likely cost of the approach outlined in the TRMS, a pilot exercise was undertaken...
- 6.6 The Cabinet report approved in April 2021 'Tree Risk Management Strategy' committed that 'The first full survey of all of the council's land ownership should be completed within 3 years, starting with all areas within zones 1 and 2 (highest priority).'
- 6.7 As part of the Pilot, a survey has been undertaken by Highways and to the end of January 2023 a total of 653km (24%) has been inspected, this inspection regime has identified defects on 344 trees, of which 216 relate to tree defects on private land that could impact on highway safety and 128 relating to trees on the public highway.
- 6.8 The Council has completed action to address 117 tree defects with the remainder to be addressed within the timescales set down within the tree risk assessment process. To date 139 private trees have been completed with 73 still within timescales set down within the tree risk assessment process. The Council is working with the landowners on those that are overdue and where necessary to maintain safety on the public highway, will take action to remove those trees and recover the costs.
- 6.9 It is anticipated the first full survey of the highway network will be completed by April 2024. The survey has focussed on the road network that would form zones 1 and 2 from the TRMS and targeted areas of known high density or numbers of trees. This information has been used to develop the expected financial cost of implementing the proposals.

- 6.10 Where trees with tree defect were identified on private land, through powers under the Highways Act 1980, landowners were informed of their obligation to address the defect along with the powers that the Council hold to address the issue and recharge the costs if necessary.

Inspection Policy

- 6.11 The Highway Tree Maintenance and Inspections Policy sets out the Council's approach to inspecting and maintaining the highway tree asset on the adopted highway, it has been developed to implement the Council's overarching TRMS.
- 6.12 The Highway Tree Maintenance and Inspections Policy that is subject to approval will be implemented from 1st April can be found in Appendix 1 of this report.

Code of Practice for Highway Tree Safety Inspections

- 6.13 The Code of Practice for Highway Tree Safety Inspections takes guidance from the TRMS, Highway Tree Maintenance and Inspection Policy and the risk-based principles of Well Managed Highway Infrastructure (WMHI). WMHI offers guidance on the inspection and management of highway trees.
- 6.14 This Code of Practice has been developed to outline how the Council's Highway Tree Maintenance and Inspection Policy will be delivered and outlines the standard for highway tree safety inspections on the adopted roads of Cheshire East. This includes identifying the inspection frequency for each category of road, together with the proposed response time to address identified defects.
- 6.15 As part of the completion of the full network survey by April 2024, inspection frequencies specific to the highway tree asset will be set using the site zoning principle described in the TRMS. This adopts a minimum of three zone categories (High, Medium or Low), inspection frequencies will vary from every year for zone 1 – high use, this includes areas of the network with high volumes of traffic and public access, through to every 6 years for zone 3 – low use that will include secondary / unclassified roads. Zones will be defined giving consideration to the below:
- Frequency of use such as the Network Hierarchy, taking into account the risk-based approach identified in WMHI.
 - Number of users and exposure time
 - Location such as urban or rural, town centre, speed limits, junctions
 - Facilities such as shops, schools, transport infrastructure.
 - This zoning will be reviewed every 3 years
- 6.16 Based on initial estimates approximately 1,183km of the highway network (approximately 44% of total network length) will be categorised as zone 1, where inspection will be every year or every two years (when considering age, condition, species characteristics etc).

6.17 Defects identified through the Code of Practice will have 3 distinct categories:

- Category A: Emergency Works - Made safe within 24 hrs.
- Category B: Essential Works –Works Completed within 6 months.
- Category C: Works to trees that are not considered high risk, works to abate nuisance – No specific time scales.

6.18 The approach does not identify each tree on a road and as such streets where there are no tree defects must be positively recorded.

6.19 The Code of Practice for Highway Tree Safety Inspection that is the subject of his report will be implemented from 1st April can be found in Appendix 2.

Tree Planting

6.20 The Council does not currently have a formal approach to highway tree planting; however, it is recognised that trees planted on the highway have many benefits and help the Council to achieve its carbon reduction and environmental goals. As such consideration will be given to tree planting on a case-by-case basis with consideration given to but not limited to the below factors and requirements:

- The location being part of the publicly maintained highway network.
- Consultation has been undertaken with all neighbouring/adjacent property owners and they are in agreement with the proposed planting.
- The proposed trees being of a suitable species.
- There is a minimum of 1.1metres verge width or more to provide space for the tree to be planted on the grass verge.
- Planting of trees in an existing hard surface, such as tarmac, slabs or paving will generally not be permitted.
- Trees will be planted a minimum of 3m from the edge of the carriageway, depending upon species.
- Once mature, the tree will not impact any of the available footway width to ensure pedestrians can pass safely and without obstruction.
- Planting a tree where underground services are present will not generally be considered.
- As the tree grows and matures, it will not conflict with any nearby street lighting, overhead cables or underground pipes/services.
- The tree will not block sight lines at bends or junctions or block the view of the traffic signals or signs, as it grows.
- An appropriate licence to plant will be required (S142 of the Highways Act 1980) including agreement on future maintenance.
- The trees must be installed by an appropriate contractor with necessary street works permit.
- For trees installed as part of new developments, consideration will form part of the technical approvals and include commuted sums for future maintenance.

7. Consultation and Engagement

- 7.1 Given the operational nature of the documents no formal consultation has been undertaken. However, the accompanying appendices (Highway Tree Safety Inspection Policy and Code of Practice) were developed following the adoption of the Corporate Tree Risk Management Strategy, all council services and service delivery partners with responsibilities for tree risk were consulted during the development on the strategy.

8. Implications

8.1 Legal

- 8.1.1 The Highway Authority has a legal duty to maintain the highway. Under Section 41 of the Highways Act 1980; it may be exposed to the possibility of actions for breach of statutory duty if it fails to maintain a highway.
- 8.1.1 The Highways Authority also has a responsibility for any other road or footpath to which the public has access, which includes safe passage. As such the Council potentially has liabilities in relation to trees along all highways where the public can pass/re-pass. It should be noted that the policy in this report only proposes inspection of trees within or adjacent to the adopted highway.
- 8.1.2 The Highway Authority has the power to ensure appropriate maintenance works are undertaken. The maintenance of trees, hedgerows and other structures outside the boundary or extent of the way is the responsibility of the owner or occupier, subject to any other interests in the land. Where a tree or other vegetation overhangs a highway or any other road or footpath is identified as a potential danger to the public, the Council has the power to serve a notice on the owner or occupier of the land to cut it back. If works are not carried out within the timeframe stated on the notice, the Council may carry out the works itself and recover the costs.
- 8.1.3 The strategy provides a balanced approach to tree management. It will enable the Council, as highway authority, to discharge its duties and responsibilities.

8.2 Finance

- 8.2.1 The cost of implementing the safety element of the tree risk management strategy is £325,000 per annum, this includes the cost of inspecting the network, addressing the issues that will be identified and also implementing the subsidence elements of the TRMS. This is to be funded through £150,000 contribution from the corporate Tree Risk Management Budget and £175,000 from the existing Highway Revenue Budget.

- 8.2.2 The funding is estimated based on historic information and the process and works are funded through the corporate Tree Risk Management Budget and Highways Revenue Budget. There is a risk that if higher levels of defects are recorded that need to be dealt with for safety then the additional costs over those allocated will have to be funded through the existing Highway Revenue Budgets and as such less work, such as repairs to the highway, will be able to be undertaken across the service.
- 8.2.3 There is a possibility that once an entire inspection cycle of the network has been completed, then the frequencies may be able to be slightly reduced hence reducing the cost in future years.
- 8.2.4 It is thought that once the initial wave of defects have been identified the number of defects will reduce in future years; however this will largely depend on the impacts of climate change and the prevalence of diseases such as Dutch Elm Disease etc and as such this will increase costs. Future budget provision will be made as part of the annual business planning process with allocation based on the inspection requirements and estimated repairs with works prioritised and actioned in accordance with the Code of Practice.

8.3 Policy

- 8.3.1 The application of this Policy and Strategy aligns with the Tree Risk Management Strategy and as such helps to strengthen the Council's approach to keeping the travelling public safe.
- 8.3.2 The Strategy supports the vision set out in the Council's Corporate Plan 2021-25 for an open, fairer, greener Cheshire East. The plan prioritises safe neighbourhoods and safer roads and includes an action to introduce a borough wide tree policy.

8.4 Equality

- 8.4.1 An equality impact assessment was undertaken for the adoption of the Tree Risk Management Strategy and concluded that there is no negative impact on specific groups. The strategy prioritises trees that present a risk to public safety as a whole rather than specific groups or individuals. It is considered that the recommendations to adopt and implement the policy and code of practice are operational and that there are no further equality implications of this report.

8.5 Human Resources

- 8.5.1 There are no direct implications within the Council; however, within the supply chain there will be the need to recruit an Inspector and an additional driver.
- 8.5.2 At present the tree inspection pilot is resourced by an external consultant and a fixed term resource who co-ordinates the works. This fixed term resource will need to be made permanent.
- 8.5.3 The physical tree works are undertaken by an external sub-contractor.

8.6 Risk Management

- 8.6.1 An effective Tree Risk Management Strategy and tree risk management regime will significantly reduce the Council's risk of prosecution and / or civil claims and will minimise the Council's liability in such actions in relation to the highway tree asset and those trees within falling distance of the highway.

8.7 Rural Communities

- 8.7.1 There are no specific implications for rural communities, however the strategy will apply to the whole borough including all rural communities.

8.8 Children and Young People/Cared for Children

- 8.8.1 There are no implications for children and young people.

8.9 Public Health

- 8.9.1 The Highway Tree Risk Management Policy and Strategy is aimed at reducing a risk to public safety.

8.10 Climate Change

- 8.10.1 Trees are part of the solution to the climate change emergency through carbon sequestration. Through the Carbon Neutral Action Plan the Council is aiming to increase tree planting within the Borough. The Highway Tree Risk Management Policy and Strategy aims to balance the risk from our trees on the Highway Network with the ecological, environmental and social benefits that trees bring.

Access to Information	
Contact Officer:	Mike Barnett, Head of Highways
Appendices:	Appendix 1 - Highway Tree Maintenance and Inspections Policy Appendix 2 – Code of Practice for Highway Tree Safety Inspections
Background Papers:	Tree Risk Management Strategy Decision - Tree Risk Management Strategy (effective from 24th April 2021)

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Highway Tree Maintenance and Inspections Policy 2023

www.cheshireeast.gov.uk

Version Control

Version	Purpose/Change	Date
1.0	Final for Approval	March 2023

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1. Introduction

1.1. The Council is responsible for all trees on the highway. Trees within falling distance of the highway are those in third party ownership on land adjacent to the highway which may cause damage to the highway or put users of the highway at risk from harm. Liability for these trees rests primarily with the owner or occupier of the land. The Council however has a duty of care to users of the highway with respect to these trees.

1.2. The aim of the Council's policy for highway tree maintenance and inspection for trees on the adopted highway is to ensure that trees are maintained in a safe condition and do not present a danger to users of the highway and or cause structural damage to private property or the highway itself.

2. Policy

2.1. The Council will inspect highway trees and as far as reasonably practicable on 3rd party land, trees within falling distance of the highway in accordance with the council's Tree Risk Management Strategy (TRMS) and Highway Tree Safety Inspection Code of Practice (CoP).

2.2. The Council will carry out and record programmed highway tree safety inspections at the frequency detailed in the CoP.

2.3. Where the condition of a tree on the highway is considered to present a hazard, this will be recorded and arrangements made to carry out any work recommended in the timescales stated in the CoP.

2.4. Where the condition of a tree on 3rd party land that is adjacent to and within falling distance of the highway is considered to present a hazard, this will be recorded, and contact made with the landowner. The landowner will be informed of the identity of the tree, details of the hazard and the action required. If the work required is not completed within the timescale stated, formal enforcement action will be taken using powers provided under Section 154 of the Highways Act 1980, including the recovery of any costs incurred where possible.

2.5. The Council will aim to carry out tree maintenance works to ensure safety both for users of the highway and adjacent properties. Adequate clearance will be maintained for vehicles and pedestrians using the highway including visibility splays, signs and streetlights.

2.6. In addition to the scheduled highway tree safety inspections, the Council will respond to complaints, queries and reports from members of the public and others regarding highways trees by inspecting the site and if appropriate commission a report by a qualified arboriculturist.

2.7. The Council will carry out any remedial or preventative works recommended in any report described in 2.6 within the required timescale. All inspections and work recommendations shall be in accordance with current codes of practice, British Standards and the principles of good arboricultural practice.

2.8. In the event that an emergency response is required to an incident, the Council will take all necessary actions to make the highway safe by removing the hazard or obstruction with the minimum of delay or by closing the highway, or part of it, until such time that the remedial actions can be carried out safely.

2.9. Where a third party owned tree falls across the highway, the Council will seek to recover all the costs, from the owner of the tree incurred in carrying out any work including any traffic management measures.

2.10. The Council will not normally carry out tree work in response to complaints regarding television or radio reception. Complaints regarding blocking of light will only be considered should the exclusion of light be unreasonable and affect a habitable room.

2.11. Highway trees will not be pruned or otherwise cut back due to leaf fall, fruiting bodies, sap, and bird fouling.

2.12. The Council will manage highway tree subsidence risk and claims associated with subsidence in accordance with Section 11 of the TRMS.

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Code of Practice for Highway Tree Inspections

March 2023

www.cheshireeast.gov.uk

Version Control

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1.0	Final for Approval	March 2023

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1. Introduction

1.1 Cheshire East Council's Approach

The Council's approach to Highway Tree Safety Inspections is as follows:

“Cheshire East Council will carry out highway tree safety inspections on all adopted highways in accordance with its Tree Risk Management Strategy, Highway Tree Maintenance and Inspections Policy and the Code of Practice for Highway Tree Safety Inspections.”

1.2 This Document

All landowners and occupiers of land have a legal duty of care for the safety of trees within their control and in exercising this duty of care it is important that they have a high regard for the benefits that trees provide while balancing this against the need to keep the public safe.

The Council recognises that generally the risk from falling trees is low; however, it has specific responsibility to identify any potential hazard presented by trees to highway users and to take action as appropriate to mitigate any risk. The Council will therefore undertake regular safety inspections of highway trees and trees immediately adjacent to the highway and undertake work as necessary to maintain public safety in accordance with published guidance and case law. The level and frequency of safety inspection will be dependent on an assessment of the risk of harm presented by the location of trees relative to highway users.

Highway tree safety inspections are an important means of keeping the highway safe for the travelling public. They are also vitally important in court cases for providing evidence that the Council takes a responsible attitude to its duties as Highway Authority, and to provide a defence against third party claims under Section 58 of The Highways Act 1980. If a member of the public suffers damage or injury which can be attributed to the condition of a tree, then the Highway Authority may be liable to pay damages unless it can show that it has taken reasonable care to keep the highway safe as is its duty under Section 41 of the Highways Act 1980.

This document has been developed to detail how the Council's Highway Tree Maintenance and Inspections Policy will be delivered. This policy was produced to implement the Council's Tree Risk Management Strategy and includes the main principles contained in that Strategy. The general principles and specific guidance contained in 'Well Managed Highway Infrastructure: A Code of Practice 2016' have also been used to produce a code of practice which adopts a comprehensive risk-based approach.

Highway tree safety inspections are designed to identify and record defects and hazards presented by trees that may impact on highway users or adjacent property. Such defects will be assessed to determine the appropriate action required and a timescale for completion, prioritising those trees which may present an immediate danger.

Highway tree safety inspections are supplemented by other safety inspections and assessments undertaken in line with national standards and/or good practice, including but not limited to:

- Highway safety inspections carried out in accordance with the Highway Safety inspection Code of Practice.

- Ad-hoc safety inspections undertaken in response to specific matters identified through enquiries and correspondence.
- Safety inspections carried out by the council in relation to other duties such as planning applications and the management of Tree Preservation Orders

The frequency of safety inspection will be determined using the principles described in the Tree Risk Management Strategy and are based on the network hierarchy developed using the principles contained in 'Well-Managed Highway Infrastructure: A Code of Practice'. The frequencies will also be consistent with those for similar or adjacent areas of land owned and maintained by the Council.

This Code of Practice sets the standard for highway tree safety inspections on the roads of Cheshire East Council. In most cases, following the advice given will be adequate. However, staff engaged on highway tree safety inspections will always be expected to apply a risk assessment approach as not every eventuality can be covered in this document. All details of tree safety inspections, defects and intended remedial action must be recorded, together with a recommended timescale for action. In addition, tree safety inspections for roads with no **defects** must be positively recorded.

This document describes the highway tree safety inspections to be carried out by trained and competent inspectors. It sets out the standards to be followed on the borough's highway network.

Updated and amended versions of this document will be published as required.

2. Legal Framework

2.1 Highway Safety

The Council has a legal duty of care to ensure that it acts as a reasonable and prudent landowner. This means that the Council must ensure that it avoids acts or omissions that could cause a foreseeable risk of harm to persons or property. As Highway Authority, the Council has a legal duty to maintain the highway. Under Section 41 of the Highways Act 1980, it may be exposed to the possibility of actions for breach of statutory duty if it fails to maintain a highway.

The type and frequency of safety inspections and any subsequent actions to remove hazards presented by trees, described in this code of practice, are designed to meet that duty.

This Code of Practice has taken into account the current legal position (both statute and common law) and how these relate to the Duty of Care placed on landowners. (a summary of legislation and relevant legal cases are attached at Appendices 1 and 2)

The Council's responsibility as a reasonable and prudent landowner, is to consider the risks posed by its trees. The level of knowledge and the standard of safety inspection that must be applied to the safety inspection of trees are of critical importance, but the courts have not defined the standard of safety inspection precisely. Generally, the courts appear to indicate that the standard of safety inspection is proportional to the size of and resources available (in terms of expertise) to the landowner. It is of note that the HSE states that: "for trees in a frequently visited zone, a system for periodic, proactive checks is appropriate" (HSE 2007)

Where harm occurs, liability is a matter for the courts to determine. The question is whether or not the Council has discharged its duty of care, which will be largely dependent upon whether or not the council has taken a reasonable and proportionate approach to the management of tree safety.

A comprehensive summary of English Law as it relates to trees can be found in Chapter 3 of 'What the law says' of the National Tree Safety Group publication Common Sense Risk Management of Trees (2011).

The regular safety inspection / recording / retrieval system and the consequent action provide both a formal record of the condition of highway trees and the defence for the Highway Authority under Section 58 of the Highways Act 1980. The recording of safety inspections & investigations made following notification of a possible hazard by members of the public, the police etc. or on the receipt of a Third-Party Claim is essential in establishing a comprehensive defence.

In order to provide a defence against a claim there must be written standards of maintenance, which are in accordance with nationally accepted criteria. The Highway Authority needs to show that it had effective policies and that they were adhered to. The 'Confirm' Business Management System and specialist tree inspection and management software is designed to be a key element in that task.

2.2 Definition of Maintenance and Repair

For the purposes of the Code of Practice, and in order to fulfil the legal duty to keep the highway safe, maintenance and repair will be that work identified and recommended during the tree safety inspection.

2.3 The Highways Act 1980

The Act expressly provided that the reasonableness of the Council's actions in attempting to perform the duty of maintenance could form a defence to the action.

The burden of proof was to be on the Highway Authority to establish that it had taken such care as was in all the circumstances reasonably required to secure that the part of the highway to which the action related was not dangerous for traffic. This statutory defence is contained in the Highways Act 1980, Section 58. (Highway Law, S.J.Sauvain 1989 p95 Sect 5-03).

The Highways Service has the task of providing for the defence of the Council on the roads within the Borough, by taking action to make safe. Insurance against third party highways claims is carried by Cheshire East Council for all adopted highways in the Borough.

The Council needs to establish that it has acted reasonably, which it would do by the production of adequate documentation and evidence in support of actions taken. In Cheshire East, these include a defined and monitored safety inspection regime, safety inspection records, the ordering of works of repair and the checking of compliance with instruction to repair.

The Council, as a Highway Authority, has responsibility for ensuring trees outside the highway boundary, but within falling distance, do not cause a danger or obstruction. Section 154 of the Act empowers the Council to deal, by notice with hedges, trees, and shrubs growing on adjacent land and recover costs where necessary.

2.4 Ensuring a Defence

A claimant must show that the highway tree is not in a reasonably safe state as a result of failure to maintain. The test is whether the state of the highway tree was such as to cause a reasonably foreseeable danger.

For the purposes of a defence under subsection (1) of Section 58, the court shall in particular have regard to the following matters:

- the character of the highway, and the traffic which was reasonably expected to use it.
- the standard of maintenance appropriate for a highway of that character and used by such traffic.
- the condition in which a reasonable person would have expected to find the tree.
- whether the Highway Authority knew, or could reasonably have been expected to know, that the condition of the tree to which the action relates was likely to cause danger to users of the highway.
- where the Highway Authority could not reasonably have been expected to carry out the work to the tree before the cause of the action arose, what warning notices of its condition had been displayed.

The burden of proof is on the claimant to prove that the accident occurred as described and that such caused their losses and damage. It is also on the claimant to prove that the condition of any 'defect' in the highway was dangerous such to breach Section 41 of the Highways Act 1980.

If it is established that a defect is dangerous then the burden of proof rests with the defendant to establish their Section 58 'special defence' and also to prove any allegations of contributory negligence.

2.5 Statutory Undertakers

Section 58 does not apply to damage resulting from Statutory Undertakers' works or apparatus forming part of the highway surface.

2.6 Other Authorities & Owners

A safety inspection or a visit to a site may reveal trees which present a hazard to highway users which do not fall within the remit of the Highway Authority. Any hazards found must be recorded in the authority's Asset Management System and a report sent immediately to the appropriate engineering supervisor in order that the correct street authority or owner may be informed. Swift action may be necessary by telephone or email. Any failure to report such defects could raise arguments regarding liability.

3. Highways Tree Safety Inspections

3.1 General

This Code of Practice sets out the criteria for highway tree safety inspections. Details of highway safety inspections, which also includes for the identification of hazards presented by trees, can be found in the current Highway Safety inspection Code of Practice.

Highway tree safety inspections, defect identification and remedial action are the responsibility of Cheshire East Highways and will be delivered in accordance with this code.

Regular tree safety inspections of the whole network are made by trained and competent personnel using hand-held tablet devices to record the date, location and nature of defects hazardous to highway users.

The data from tree safety inspections is transferred to a central database and used as instructions to carry out the repairs or make safe the hazard.

3.2 Network Hierarchy

In accordance with WMHI, the Council has developed a Network Hierarchy in order to prioritise its resources in the most effective way allowing it to better address the various risks and issues associated with the management of the highway network. Each road is categorised in accordance with the criteria outlined in Table 1 of WMHI:

Table 1: Network Hierarchy

CATEGORY	CRITERIA
Resilient Network	The category of roads to which priority is given for maintenance and other measures to maintain economic activity and access key services.
Strategic Routes	Trunk and some Principal 'A' class roads between Primary Destinations, routes for fast-moving long-distance traffic with little frontage access or pedestrian traffic. Speed limits are usually in excess of 40 mph and there are few junctions.
Main Distributors	Routes between Strategic Routes and linking urban centres to the strategic network with limited frontage access.
Secondary Distributors	B and C class roads and some unclassified urban routes carrying buses. In residential and other built-up areas these roads have 20 or 30 mph speed limits and very high levels of pedestrian activity with some crossing facilities including zebra crossings.
Link Roads	Roads linking between the Main and Secondary Distributor Network with frontage access and frequent junctions. In urban areas these are residential or industrial interconnecting roads with 20 or 30 mph speed limits, random pedestrian movements and uncontrolled parking. In rural areas these roads link the smaller villages to the distributor roads.

Local Access Roads	Roads serving limited numbers of properties carrying only access traffic. In rural areas these roads serve small settlements and provide access to individual properties and land. They are often only single lane width and unsuitable for HGVs. In urban areas they are often residential loop roads or cul-de-sacs.
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Note: Special Interest Areas are defined as town centre areas etc.

3.3 Inspection Regime and Frequencies

The inspection of highway trees will be informed by the use of Site Zones where sections of the highway are defined according to the levels of use (Table 3) There are three zone categories, (High, Medium or Low) and will be defined by: -

- Frequency of use such as the Network Hierarchy, taking into account the risk-based approach in the Code of Practice 'Well Managed Highway Infrastructure' (WMHI).
- Number of users and exposure time
- Location such as urban or rural, town centre, speed limits, junctions
- Facilities such as shops, schools, transport infrastructure

The Council will carry out a review of all zones every three years or where there are clear identified changes in use.

3.4 Risk Assessment

This Code of Practice is informed by guidance produced by the National Tree Safety Group (NTSG) Common Sense Risk Management of Trees and current best practice within the arboriculture industry. The NTSG position is underpinned by a set of five key principles:

1. Trees provide a wide variety of benefits.
2. Trees are living organisms that naturally lose branches or fall.
3. The overall risk to human safety is extremely low.
4. Tree owners have a legal duty of care.
5. Tree owners should take a balanced and proportionate approach to tree safety and management.

The HSE sector information minute 'Managing the risk from falling trees' requires that a reasonably practicable approach be taken which is proportionate to the risk. It also highlights that the safety inspection of individual trees can be disproportionate to the risk they pose.

The HSE has set out a framework, known as the Tolerability of Risk (ToR) (HSE 2001); for reaching decisions about whether risks are unacceptable, tolerable, or broadly acceptable. Where a risk is considered tolerable it is deemed to be 'as low as reasonably practicable (ALARP). A risk is tolerable where the costs of reducing that risk further would be disproportionate to the benefits gained. This Strategy has been formulated to take these principles into account.

The HSE has developed a five-step approach to risk management (www.hse.gov.uk/risk/fivesteps.htm) which shall be applied when assessing the risk from trees (see Table 1 below)

Table 2: Five steps to risk assessment

Step	HSE Assessment	Action
1	Identify the Hazard	Trees on land owned by Cheshire East Council, Trees affecting land owned by Cheshire East Council
2	Decide who might be harmed and how	The general public, council employees, contractors and their property when: <ul style="list-style-type: none"> • Using the highway • When visiting parks, gardens, open spaces and other property owned by the council. • On land adjoining council owned property
3	Evaluate the risks and decide on precautions	Where the public might be harmed, or property damaged by falling trees or branches. What constitutes an acceptable level of risk is determined by the Tolerability of Risk Framework (ToR) approach which defines broadly acceptable and unacceptable levels of risk. Within this range is where the risk is Tolerable if it is deemed to be ' <i>low as reasonably practicable</i> ' (ALARP). This means the risk is Tolerable if the costs of risk reduction are much greater than the value of the risk reduction.
4	Record findings	Tree Inspections /risk assessments and any remedial works will require to be recorded in an electronic database which shall be made available across Council Services.
5	Review your assessment and update where necessary	Reassessment will be based on the risk of significant harm for each area or site. This Risk Management Strategy will be formally reviewed every 3 years as part of the reporting and monitoring arrangements for key corporate risks.

Table 3: Zoning, Frequency of Inspection and Inspection Method

Zones of Use	Network Hierarchy	Usage Criteria	Frequency of Inspection	Inspection Method (Level)	Examples
Zone 1 High Use	Resilient network, strategic routes, main distributors, secondary distributors and link roads	High volumes of traffic and public access/ occupancy ⁽³⁾	Every One or Two years ⁽¹⁾	Basic (Level 1)	Principal/Trunk Roads, major road junctions, roads adjacent to the rail network, car parks, town centres, schools, employment areas, emergency facilities and access routes, permanent structures with a constant target, play areas, public areas/ events ⁽³⁾
				Risk not tolerable/acceptable Detailed (Level 2)	
Zone 2 Moderate Use	Strategic routes, main distributors, secondary distributors and link Roads	Moderate volumes of traffic and public access ⁽³⁾	Every Three or Four years ^(1,2)	Basic (Level 1)	Main roads and junctions adjacent to car parks of moderate use, footpaths and access ways (pedestrians 1-36/hour), moderate use parks and public areas. ⁽³⁾
				Risk not tolerable/acceptable Detailed (Level 2)	
Zone 3 Low Use	Local access roads unless volumes of traffic are subject to peak periods of traffic	Low volumes of traffic and public access ⁽³⁾	Every Five or Six years ^(1,2)	Basic (Level 1)	Secondary and unclassified road (unless used during peak periods to avoid congestion or regular events ⁽²⁾), adjacent to low use parks and recreation areas and public areas where use is dispersed. ⁽³⁾
Zones 1 and 2		Reports of damage following severe weather events	Immediately following event	Detailed inspection of reported damage (Level 2)	

In line with national codes of good practice (notably the Code of Practice, Well Managed Highway Infrastructure, published on 28 October 2016) the characteristics of the tree safety inspection regime, including frequency of safety inspection, items to be recorded and nature of response, are defined following an assessment of the relative risks associated with any tree.

The tree safety inspection regime is applied and recorded systematically and consistently. As well as information relating to defects, all tree safety inspections must also therefore record:

- time of inspection and defect identification.
- weather conditions.
- any unusual circumstances of the safety inspection.
- person(s) conducting the safety inspection.

The frequency and method of inspection will be determined by zoning the network based on the network hierarchy and frequency of use.

Although the Network Hierarchy will be the main determinant of inspection frequency, site specific factors may merit a decision to temporarily or permanently increase or reduce the frequency in a specific location (for example to mitigate the risk from certain tree species or with consideration for vulnerable users).

Notes:

1. Inspections will normally be carried out from a slow-moving vehicle. Where the inspector determines that a particular tree or group of trees requires a more detailed inspection, the vehicle will stop in a safe place. The more detailed inspection will then be carried out from a position where it is safe to do so.
2. Inspections will be carried out during daylight hours and where weather conditions do not create poor visibility.
3. Inspections will be carried out by two people, with the passenger being the inspector.
4. Dual carriageway inspections will be carried out in both directions.

The table defines the minimum frequency at which inspections will be undertaken. Additional safety inspections may be planned in response to user or community concern, requirements for monitoring of structural concerns, as a result of incidents or in response to extreme weather conditions.

Arrangements are made to review the safety inspection, assessment, frequency and recording regime at least every 3 years. This review will be considered at a senior management level within Cheshire East Highways (CEH) and will consider:

- changes in network characteristics and use.
- completeness and effectiveness of data collected.
- trends within defect formation.
- success of repair programmes.
- the need for changes/amendments/additions to the inspection regime derived from risk assessment.

As a result of such reviews, proposals may be put forward to amend the safety inspection frequency or methodology should such alterations be deemed to be beneficial. Any such

amendment will be considered, proposed to CEC and The Highways and Transportation Committee for agreement and, if implemented, recorded as such in formal minute.

Consideration will be made to reviewing and updating details of any Asset Management Plans as a result of any such changes.

3.5 Defect Categories

The Council's duty of care to manage the risk from our trees shall be reasonable, proportionate and reasonably practicable. The Council must therefore balance this risk with the aesthetic, ecological, environmental, and social benefits that trees bring with "reasonableness" and the benefits of risk reduction taking into consideration the financial cost of managing and controlling that risk.

The priority for implementing any remedial action will be dependent on the assessment of risk and hazard related to the zone of use. Those trees that have been identified as the highest risk will be dealt with first, with emergency work given the highest priority as set out in Table 2.

Severe Weather

Following any storm or severe weather event, reports of damaged trees will be investigated, prioritising high use zones on the highway for assessment by our staff for any obvious tree risk features.

Emergency Work

Where a tree has a very high likelihood of failure and it is in a high use zone, then the risk is 'Not Acceptable' and will be deemed a priority. Operatives will attend to the tree as soon as possible (within 24 hours, with the site to be secured with warning signs and barriers or closed to the public in the event of a delay).

Cost Effectiveness Risk Reduction

Other than Emergencies, risk reduction work will not normally commence until all planned annual active risk assessments have been carried out. This will assist in prioritising the work and coordinating with other tree maintenance so that it is planned in a cost-effective way.

Not Tolerable Risks

Not tolerable risks will be carried out in conjunction with other tree maintenance work. Where there is not the budget to do this, priority will be given to the risk reduction work.

The Council will manage the risk from trees using the Tolerability of Risk (ToR) principle taking into account the following factors:

- Trees provide a range of important environmental and social benefits.
- The overall risk to the public from tree failure is extremely low.
- The Council has a duty of care to manage the risk from trees.
- The duty should balance the benefits from trees, risk and costs.
- The Council will manage the risk from trees where there are obvious tree risk features reduced to a Tolerable or Acceptable level.

Tolerable Risks

Tolerable Risks will not be reduced but may require recording and be recommended for increased frequency of safety inspection.

Review

A review will be undertaken with the Council's Contractors every 3 months to monitor how risk reduction priorities are being carried out and managed and whether any improvements to work priorities can be made.

Table 4 : Priority for work to trees

Work Priority	Risk Assessment	Action	Response Time
Category A Emergency (Council or privately owned trees)	Response to trees that are a significant risk and an imminent danger to public safety	Not Acceptable Risk will be reduced to an acceptable level	Within 24 hours (or site secured with warning signs and barriers until work is completed)
Category B Essential Works	Response to trees that are considered essential but not imminently dangerous but where remedial works are necessary	Not Tolerable Risk will be reduced to an Acceptable level but with a lower priority than Category A Tolerable Risk will not be reduced but may require increased assessment frequency than Category C	Works completed within 6 months or restrict public access by barriers and signs until work is completed.
Category C Desirable – Pro active Management	Works to trees that are not considered to be high risk Works to abate a nuisance (other than subsidence) caused by Council owned trees	Acceptable Risks will not be reduced unless resources are available	No specific time scale (as resources allow)

It will be the responsibility of the inspector to ensure the trees are assessed to the best of his/her ability and to ensure that the inspection is recorded accurately. The method of inspection is set out below.

Tree inspections will normally be carried out from ground level with the use of binoculars and hand tools (such as a nylon sounding hammer and metal probe). Cameras may also be used to record specific defects and in order to monitor defects over a period of time.

Basic Inspection (Level 1 Visual Survey)

Trees will be assessed in a vehicle as a drive- by inspection. The inspection will identify the target area (what the tree or parts of it will fall on) and the type of assessment recorded.

A more detailed Level 2 Assessment will be carried out where there are trees with obvious features where the risk is considered not acceptable or tolerable.

Drive-by Inspection

A drive-by inspection is an assessment carried out at a Basic Level from a moving vehicle that is driven at a low speed observing only trees with obvious risk features which might not be acceptable or tolerable. The inspection shall be carried out in accordance with a Traffic Management Plan and incorporate the following: -

- the vehicle shall include one driver and one surveyor.
- the surveyor will only assess trees and not assess other highway issues.
- Trees will be assessed from both directions even if trees are only on one side of the road to avoid missing any features that are only visible from one direction.
- where trees are present on both sides of the road, each side of the road shall be observed separately.
- the vehicle shall be driven at an appropriate speed and may be variable depending on the surveyor (less than 50kph/30mph).
- vehicles will be equipped with flashing beacons and display signage.
- Where it is safe to do so the vehicle shall slow down or stop when there are many trees or a tree is showing obvious tree risk features (e.g. decay fungi, crown dieback, large wounds, splits, cracks or significant leaning towards the road).
- The surveyor will take photographs and record the tree and a decision made as to whether a detailed assessment shall be carried out.
- If the decision is to carry out a detailed assessment, a full 360-degree assessment will be carried out on foot. If vegetation needs removing or access is difficult, arrangements shall be made to carry out the work necessary to allow a detailed inspection to take place.

Walk-over Inspection

When inspecting some of the network, such as urban streets in residential areas, it may be more appropriate to inspect by a visual examination carried out on foot to identify obvious and serious above ground tree risk features. This will involve observing the tree in its entirety at a distance followed by a walk round each tree to gather information on the condition of roots, trunk, branch structure, crown, buds and leaves and may include the use of simple tools. Where there are limitations to the inspection due to obstructions or restrictions due to ownership this shall be noted in the survey.

Detailed Inspection (Level 2 Survey)

A detailed inspection is carried out on trees identified during a drive-by inspection or walk-over inspection that require closer examination because they have a feature where there is an obvious risk that is considered not acceptable or tolerable.

The assessment is carried out from ground level using a quantifiable tree risk management system.

A report will be produced which will include the risk assessment/rating and appropriate options (if necessary) for reducing the risk and any appropriate management advice. Any work carried out will be recorded when it has been completed.

Advanced Inspection

Where a risk assessment from a Level 2 survey is unclear or more information is required about the likelihood of failure, and resources are justified for further intervention (e.g. a tree of significant

amenity, heritage or cultural value) a more detailed advanced inspection may be undertaken. This may include below ground and aerial investigation, including detailed information about specific parts of the tree, the significance of structural defects and strength loss due to decay, the presence and significance of diseases, pests, assessment of targets and site conditions and the use of specialized equipment.

If the costs of an Advanced Inspection are substantial, a decision will be made whether the tree has sufficient value to justify the expense of inspection over removal. This will be determined using a system for valuing amenity trees as public assets (e.g. CAVAT). A report will be produced that will include the detailed information obtained from the investigation and those covered in the Detailed (Level 2 Survey).

3.6 Recording inspections

Accurate record keeping enables proactive and responsible risk management providing evidence in support of professional challenge. It also supports future decision making about the management of the Council's trees.

Whilst all trees within a survey area need to be checked, only those identified with specific tree risk features requiring work need to be recorded, however the areas that have been inspected need to be recorded.

A record of all tree inspections, including related maintenance and proposed actions will be maintained on a retrievable database that is accessible and corporately available.

The highway service will: -

- Ensure that safety inspections include both trees within the highway and those outside but within falling distance of the highway.
- Implement a programme and record of tree inspections including related maintenance and action proposed. The record will be retained, maintained and updated in a retrievable database to support an asset management approach and inform allocation of resources and value for money.
- Ensure adequate budget provision based on evidence of need and service level for ongoing regular tree inspections and necessary safety related maintenance work for trees arising from inspections.
- Ensure that the data base is accessible to all officers with corporate responsibility for tree risk.

3.7 Emergency Procedures

If a Highway Tree Inspector considers that a tree presents a hazard to highway users or adjacent property due to its health or condition, and it is assessed to be sufficiently dangerous to require an emergency response, arrangements will be made to take whatever action is necessary to remove the hazard in accordance with the response times detailed within this document. In some circumstances it will be necessary to close roads or implement temporary traffic management until action to remove the hazard has been completed. Operational procedures are in place to ensure that resources are available during and outside normal working hours to ensure that the required response times can be achieved. During normal working hours, third party reports are made to the Council's Customer Contact Centre. If it is determined that an emergency response is required, the details are passed directly to the appropriate operational team and resources deployed to meet the required response time. Outside of office hours, third party reports of

dangerous defects made using the Council's Out of Hours service will be reported to the on-call Duty Inspector who will arrange the appropriate response. Additional resources will also be available to attend to specific situations as determined by the Duty Inspector.

3.8 Tree Safety Inspectors

Competency of Personnel

All personnel carrying out inspections of trees on behalf of the Council shall have the following levels of competence and training: -

Level 1

Inspections will be carried out by a member of staff or contractor with a basic understanding of trees. Because of their training, experience, and site knowledge, they will be able to notice common tree risk features and abnormal growth in trees and will understand how to pass on their concerns to a more experienced person.

Training - LANTRA Basic Tree Inspection Certificate for inspectors of parks and open spaces, LANTRA Highway Tree Inspection for inspectors of highway trees. LANTRA Intermediate Tree Inspection certificate is desirable.

Level 2

The inspector will be a competent arboriculturist (as recommended in Circular 52/75 Inspection of Highway Trees) with training and experience of managing trees for safety, balanced with other site-specific requirements. Inspectors will be familiar with the use of probes, nylon faced mallets and binoculars.

Inspectors carrying out level 2 surveys will have been assessed as competent to carry out detailed inspections of trees by completing LANTRA Professional Tree Inspection training and certification.

Training - Minimum RCF Level 3 Arboriculture with modules covering tree inspection and the recognition and treatment of defects and LANTRA Professional Tree Inspection.

Level 3 – Detailed Inspection

An inspection that provides a detailed assessment of any decay or tree stability with the use of specialized equipment e.g. Resisto-graph or Tomography. This level of inspection shall be usually reserved only for high value trees within high use areas.

Training - Minimum RCF Level 6 Arboriculture (e.g. BSc. RFS Professional Diploma and LANTRA Professional Tree Inspection.



Working for a brighter future together

Highways and Transport Committee

Date of Meeting:	2 March 2023
Report Title:	Highways and Transport 2023-24 Programmes
Report of:	Tom Moody – Director of Infrastructure and Highways
Report Reference No:	HT/74/22-23
Ward(s) Affected:	All Cheshire East Wards

1. Purpose of Report

- 1.1. The purpose of this report is to inform the Highways and Transport Committee of the capital and revenue budgets available for the highway service for 2023/24 and the allocation of those budgets to the various programmes of work.
- 1.2. The programmes of work contribute to the Council's aim to be a thriving and sustainable place and in particular to the priority of having a transport network that is safe and promotes active travel.
- 1.3. Investment in footways is an important part of achieving this priority. In 2023/4 the funding for footways will be 9% of the total capital funding for highway maintenance compared to 7% in 2022/3 and the focus on the maintenance and improvement of footways will continue to be a focus in future years.

2. Executive Summary

- 2.1. The report explains the allocation of highway revenue and capital funding to deliver day to day maintenance activities and improvement programmes on the public highway, to ensure that the Council can fulfil its statutory responsibilities as a Highway and Transport authority, as well as contributing to the Council's Corporate Plan and Local Transport Plan objectives and priorities.
- 2.2. The report outlines the challenging funding position in terms of both capital expenditure (being dependent on grants from central government through the Department of Transport) and revenue expenditure (due to

the Council's position in respect of its Medium-Term Financial Strategy (MTFS).

- 2.3. Due to the responsive nature of the service and the many variable external factors, the budgets presented do not operate as fixed budgets, but are the basis on which the highway service business plan has been set for the start of the financial year in April 2023. Future committee reports through the year will provide progress updates on the delivery of the programmes, including any emerging pressures due to network demands which might call for amendments to some programmes.
- 2.4. Members are asked to note and comment on the budget allocations, and these will be considered during the year and in preparation for future years' budgets, whilst working within the available revenue budget and ensuring all statutory responsibilities placed on the Council as a Highway and Transport authority are being fulfilled.

3. Recommendations

- 3.1. The Committee is recommended to note the apportionment of revenue and capital funding to the key elements of the highway services shown in Tables 2, 4, 5 and 6 in this report.

4. Reasons for Recommendations

- 4.1. The budgets for the capital and revenue programmes represent the optimal apportionment between programmes to best achieve the Council's priorities, whilst fulfilling the Council's responsibilities as the Highway and Transport Authority as far as reasonably practicable within the available budgets.

5. Other Options Considered

- 5.1. In developing the final allocation of available budgets, as part of the business planning process, various funding allocation variations are considered across the highway assets, taking account of asset condition, risk, and investment need.
- 5.2. The paper details the funding available to the highway service and the plan in place to utilise these to fulfil the Council's responsibilities as the Highway and Transport authority. The paper also outlines how the utilisation of the funding helps to contribute to the Council's Corporate Plan and Local Transport Plan objectives and priorities. As such the 'do nothing' option would lead to the Members being less well informed.

6. Background

6.1. Policy Context - National

6.1.1 The Council is a local Highway and Transport authority, and in this context, it has a number of statutory duties to perform that have an impact on the maintenance of the public highway and the provision of transport in the borough. These include:

- Highways Act 1980 –The duty to maintain the highway maintainable at public expense
- Traffic Management 2004
- New Roads and Street works Act 1991
- Flood Water Management Act 2010

6.1.2 The Council's highways are valued at £6.6bn, and it receives capital grants from central government to invest in the structural maintenance of that asset. The value of this grant has diminished significantly in real terms in recent years and was reduced by 21% in 2021/22 from the previous year, resulting in an increased rate of decline in the condition of the Council's highway network. The DfT grant award letter for the current financial year maintains that reduced level of funding for three more years through to 2024/25, subject to any adjustments by central government in future budgets. This is a common position across highway authorities nationally.

6.1.3 The national picture was highlighted by a transport spokesperson from the Local Government Association. In response to the overall reduction in capital funding allocated to councils for local road maintenance in 2021/22 by the Department for Transport of £400 million (22 per cent) they said "Councils are working hard to keep our roads safe and resilient, repairing potholes as quickly as they can. However, it would already take £10 billion and more than a decade to clear the current local roads repair backlog".

6.1.4 It is important that in using the limited resources available, the duties contained in the Highways Act and Traffic Management Act, particularly in maintaining a safe network for all users, are given priority.

6.1.5 Some of the Council's funding is obtained because of the Incentive element of central government capital funding. This is awarded to local highway authorities who can demonstrate good practice in how they invest in the highway asset and provides high value for money in terms of asset life. The Council is in the highest category (Band 3) on this measure and receives the maximum incentive funding, £1.45M in 2023/24.

6.2. Policy Context - Local

6.2.1 The Council's highways and transport programmes are developed to ensure that the Council's duties as a local highway authority are delivered and to contribute to the Corporate Plan outcomes and Local Transport Plan (LTP) objectives.

- 6.2.2 The Corporate Plan has a priority of providing a transport network that is safe and promotes active travel.
- 6.2.3 The Council has a suite of highway policies that help to inform delivery of the highway service and prioritise how revenue and capital money is spent. A programme of reviews of these policies is underway and will come to this committee for consideration over forthcoming meetings. A good example in 2022 being the Speed Management Strategy
- 6.2.4 The Council's Local Transport Plan 2019 – 2024 is used to demonstrate how government funding will be used to maintain the public highway network and meet local transport needs. The DfT has indicated that updated national guidance on Local Transport Plans and associated funding will be published later this year, emphasising their role in contributing to the Government's decarbonisation strategy.
- 6.2.5 The DfT has recently undertaken a pilot study with some local authorities on an LTP performance regime with particular focus on active travel outcomes. There is a potential that low performance may result in a reduction in maintenance grants in a similar way to that of the Incentive Fund element of the LTP funding. This is speculation at this stage pending the DfT issuing new guidance on LTP monitoring and reporting.
- 6.2.6 The Council's financial position is challenging as outlined in its Medium-Term Financial Strategy (MTFS). The highway service made a number of budget proposals as part of the MTFS process to help meet the challenges. These have the effect of reducing the available revenue funding of the highways service and this has an impact on the capital funding.
- 6.2.6 As a demonstration of the challenges faced by the highways service.
- In 2015-16 the highways revenue budget was £11.214m.
 - During the intervening period through to 2021-22 inflation rose by 14%. If that inflation index had been applied to the 2015/16 figure, then the 2021/22 revenue budget would have been £12.784m.
 - Therefore, factoring in the reduction in government grants over the same period the real terms cut since then was $(£12.784 - £10.425) = £2.359\text{m}$. This equates to a cut of approximately 18%.
 - The DfT Local Transport Plan funding letter for 2022/23 set the government funding for the next three years at the same level as that given in 2015/16 increasing the real terms cut in that funding.
- 6.3. Available Revenue Budget for 2023/24
- 6.3.1. Revenue funding is allocated from the Council's general fund as part of its budget setting process. The net revenue budget available for the highway service of £10.427m, this is established from the previously approved base budget and the net budget includes income from fees and charges to third parties for their use of the highway.

- 6.3.2. However, this is subject to change depending upon the outcome of the budget engagement undertaken during January 2023, with the outcome being considered at full Council on 22nd February 2023.
- 6.3.3. The total revenue savings included in the highway proposals is £0.579m and consists of:
- Increasing additional highways income from licencing and permits by £100,000.
 - Reallocation of revenue to capital funding for road maintenance, total of £375,000 – this will allow a decrease in the highway revenue budget for carriageway repairs, which will be managed alongside ongoing reviews and profiling of capital expenditure.
 - A change in the maximum response time of the highway incident response teams, out of hours from 1.5hrs to 2hrs, will see a revenue reduction of £100,000.
 - Carbon Reduction – Continued replacement of existing illuminated signs and bollards with LED units, revenue saving of £4,000.
- 6.3.4. Further revenue savings relating to energy costs associated with the street lighting asset are included as part of the 2023 budget consultation, the savings totalling £485,000 (£0.242m in 2023/24 and £0.243m in 2024/25).
- 6.3.5. The 2023/24 highway revenue budget is shown in the table below, this included the established base budget and the changes if all the highway budget saving proposals are approved.

Revenue Service Allocation	Budget (£000's)	Budget with budget reductions (£000's)
Highway Service Delivery - Client	2,010	1,764
Fees and charges for third parties	-2,570	-2,720
Highway Service Delivery – Ringway Jacobs	10,987	10,562
Net Highway Service Revenue Budget	10,427	9,606

Table 1 Revenue Service Budget for Highways in 2023/24

- 6.3.6. The Highways Team are currently exploring the potential to introduce a Lane Rental scheme on roads within the borough and tasked to identify associated process, costs and benefits of a scheme for Cheshire East Council with the intent to introduce potential benefits in the MTFS from 1st April 2024.
- 6.3.7. A lane rental scheme allows a local highway authority to charge works promoters for the time that street and road works occupy the highway. Charges are focused on the very busiest streets at the busiest times.

- 6.3.8. The power for local highway authorities to implement and operate a lane rental scheme in England is subject to approval by the Secretary of State for Transport and forms part of section 74A of the New Roads and Streetworks Act.

6.4. Revenue Service Provision

- 6.4.1. This table summarises the allocation of revenue budget for highway programmes delivered through the Highway Service Contract in 2023/24 and reflects current priorities, this includes adjustment to pothole repairs (reduction of £375,000) and responding to emergencies (reduction of £100,000) on the basis that the highway budget saving proposals are approved. These numbers may be subject to some slight amendments subject to final completion of the business planning process.
- 6.4.2. The allocation of funding for reactive Pothole Repairs is reduced for 2023-34 in comparison to 2022-23. This is because we have invested more capital funding into the planned proactive patching programme approach in 2022-23 which has seen the number of reactive pothole repairs reduce by over 3,000. This effective strategy is being continued in 2023-24 and future years.

Highway Asset	Description	Council Revenue Budget Allocation (£000's)	
		2022-23	2023-24
Coordinating Roadworks and other Activities on the highway	Managing Council, utility and developer works on the highway.	£556	£605
Handling enquiries from the public	Answering enquiries from the public, councillors, and MPs / Providing information on highway activities	£179	£220
Inspection of the highway	Highway inspections / updating digital records / boundary enquiries	£502	£505
Bridges and Structures	Inspection / routine small maintenance works	£257	£267
Drainage system cleaning and repairs	Gully emptying and drainage system cleansing	£1,099	£913
Pothole Repairs	Repair of carriageway potholes	£2,184	£1,474
Other Road Repairs (including road edge failures, damaged paving etc)	Footway repairs and other non-carriageway repairs	£588	£809
Responding to Emergencies	Responding to urgent defects and emergency issues on the network	£683	£394

Highway Asset	Description	Council Revenue Budget Allocation (£000's)	
		2022-23	2023-24
Road Markings Renewals	Replacement of worn and damaged road markings (to be included in capital programme in 2023/24)	£0	£0
Hedge and Trees	Responding to urgent tree works / hedge cutting (including highway contribution of c.£175k for the new Highway Tree Safety Inspection Policy)	£674	£586
Grass Cutting and Weed treatment	Cutting of grass verges and weed treatment	£794	£867
Fencing & Wall Repairs	Repair of drystone walls and fences (to be included in capital programme in 2023/24)	£0	£0
Road Signs Cleaning and Repairs	Cleansing, straightening and repair of road signs (to be included in capital programme in 2023/24)	£0	£0
Winter Service (including gritting and snow clearance)	Gritting of roads and provision of grit bins	£1,981	£2,249
Street Lighting	Repair of streetlight and cable faults / structural and electrical testing	£568	£526
Traffic Signals	Repair of traffic signals and electronic signs	£312	£393
Traffic and Road Safety (including education to schools)	Design of road safety schemes/provision of road safety education to schools	£305	£333
Managing Flood Risk	Addressing statutory duties as the Lead Local Flood Authority including planning applications and flooding issues.	£305	£421
	Overall Revenue Allocation (£000)	£10,987	£10,562

Table 2 Allocation of Revenue Budget across Routine/Reactive Core Highway Service programmes

6.5. Available Capital Budget for 2023/24

- 6.5.1. Capital budgets provide funding for significant repairs and improvements to the network. They are impacted by the size of grant from central government in the form of two annual block grants, these being the Highway Maintenance Block (HMB) and the Integrated Transport Block (ITB).
- 6.5.2. The Government has previously confirmed that it will provide Pothole Funding on an annual basis for 3 years with the first year being 2022/23 (See Table 5). Total DfT funding including the Pothole Funding in 2023/24 is £15.551m as shown in Table 3 below.
- 6.5.3. In 2023/24 the Council has approved local funding of a further £6.300m as shown in Table 3 below. This includes the supplementary capital investments to address the impact of high inflation on the highway capital programmes, as approved by full Council on 14 December 2022. The sums are included in the Local Transport Plan – Maintenance Block grant and Managing and Maintaining Highway Network budget lines of the MTFS and in Table 3 below. The Council funding is expected to be funded from borrowing and will be added to the programme for managing and maintaining highways.
- 6.5.4. The total capital funding available for 2023/24 is therefore shown in the table below:

Funding	Government - Department for Transport (£000's)	Council Investment (£000's)	Total Budget (£000's)
Integrated Transport Block - LTP	2,003		2,003
Maintenance Block - LTP	5,799	1,546	7,345
Incentive Fund - LTP	1,450		1,450
Pothole Funding	5,799		5,799
Managing and Maintaining Highways		4,529	4,529
Traffic Signs and Bollards - LED Replacement (rolled forward from 2022/23)		225	225
2023/24 Budget Totals (£000)	15,051	6,300	21,351

Table 3 – Capital Funding sources for the Highway Service in 2023/24

6.6. Capital programme

6.6.1 Annual Block Grants

6.6.1.1. The table below summarises the allocations of capital budget to highway and transport programmes in 2023/24.

6.6.1.2. As described in 6.5.1 capital funding comes from two central government block grants; the highway Maintenance Block (HMB) intended for capital maintenance of highways and structures and the Integrated Transport Block (ITB) for other capital transport programmes. The table indicates the allocation of the grant for each programme.

6.6.1.3. As in previous years, members have received the detailed work programmes (i.e., locations) planned on the main highway and structures assets across the borough prior to them being published on the Council's web site.

Department of Transport - Integrated Transport Grant, Maintenance Grant and Incentive Fund	Projects and Programmes	How are the Projects and Programmes Determined?	LTP Block Grants Funding (£000's)	
			2022-23	2023-24
Infrastructure & Transport Policy and Scheme Development	<ul style="list-style-type: none"> Town Studies Transport Strategies <ul style="list-style-type: none"> Crewe Transport Access Study Macclesfield Transport Access Study Infrastructure scheme feasibility and development work Levelling Up fund bid - match funding 	Application of criteria to best deliver Council policy	525	375
Local Highway Measures	<ul style="list-style-type: none"> Ward Member highway improvement budget (* including scheme administration) 	Member determined based on ward priorities	350	380*

	<p><i>NB: Member Budget part funded from Council Investment -ref Highways and Transport Committee Paper & Decision 22.09.22</i></p> <p>Minor Works Programme</p> <ul style="list-style-type: none"> - Traffic management measures - Traffic Regulations Orders - Pedestrian access improvements - Vehicles passing bays etc 	Officer determined based on assessment and prioritisation to deliver policy objectives	290	280
Sustainable Transport Enhancement Programme (STEP)	<ul style="list-style-type: none"> • Active travel investment • Public transport investment • Sustainable Modes of Transport to Schools (SMOTs) • Public Rights of Way and Countryside Access Improvements • Boulderstones Bridge Match funding contribution 	Schemes are prioritised against the objectives of the Local Transport Plan, Sustainable Modes of Transport to Schools (SMOTS) objectives etc to deliver on policy	895	1,238
Road Safety Investment	<ul style="list-style-type: none"> • Local Safety Schemes – cluster analysis to target killed/seriously injured traffic collision sites • Minor Safety Schemes - proactive programme to developing issues raised by Police • Vulnerable Road User Schemes – cluster analysis focusing on sites VRU injury collision sites • Road safety camera site related works 	Application of analysis of police Stats19 road traffic injury collision data to determine work programme that helps reduce number of killed and seriously injured on the roads in the borough.	245	350

Programme Management	<ul style="list-style-type: none"> • Highway Client team programme management 	Amount of work delivered by the highway client team that is chargeable to capital in accordance with local government financial rules.	200	200
Highway Asset Investment	<ul style="list-style-type: none"> • Road Repairs • Footway Repairs • Drainage Improvements • Bridges & Structures • Street Lighting • Traffic Signals • Road markings • Road Signs • Safety Barriers 	Evidence led asset management approach using established scoring matrices to prioritise works.	6,747	6,429
		Overall LTP Allocation	9,252	9,252

Table 4 Allocation of Department for Transport Local Transport Plan annual block grants across highway programmes

6.6.2 Pothole Fund

6.6.2.1 The table below summarises the funding provided by central government to help the Council address road condition in 2023/24 and how the highway service is using it to repair roads in the Borough.

6.6.2.2 Until 2022/23, the Pothole Fund was not an annual grant and varied in value when provided. In the government's recent announcement on funding for local highway authorities, it has committed to providing the Pothole Fund annually alongside the Local Transport Plan Integrated Transport and Maintenance Block grants and Highway Incentive Fund until 2025.

Department of Transport - Pothole Funding	Programme	How is the Programme Determined?	DfT Pothole Funding Allocation (£000's)	
			2022/23	2023/24
Highway Asset Investment	• Road repairs	Evidence led asset management approach using established scoring matrices to prioritise works.	5,799	5,799
Overall Allocation			5,799	5,799

Table 5 Allocation of Department for Transport Pothole Fund in 2023/24

6.6.3 Additional Council Investment

- 6.6.3.1 The capital investment has been re-profiled in response to the current revenue budget challenges with the effect that the investment is to be extended over four years rather than the original three years approved by Council. The result is the investment changes from £6m to £4m per annum.
- 6.6.3.2 The additional Council investment is designed to deliver increased maintenance of the public highway over and above that possible through the annual DfT Maintenance grant. The impact of high inflation on costs is affecting the ability to deliver all the schemes on the approved road repair programme in the current financial year and without redress will reduce the number of schemes that can be delivered in future years using the additional investment.
- 6.6.3.3 The Council met to consider this issue at its meeting of 14 December 2022 and approved supplementary capital estimates for additional borrowing on the DfT Maintenance grant and the additional Council investment for Managing and Maintaining the Highway to address the forecast impact of inflation over the four-year period to 2025/26.
- 6.6.3.4 The value of these supplementary capital estimates for this and next financial year are as follows:
- 2022/23 - £1.240m
- 2023/24 - £2.075m
- These have been added to the additional Council investment funded activities in table 6 below to summarise the overall additional capital funding the Council is providing to manage and maintain the public highway in the borough.
- 6.6.3.5 The table on the next page summarises how this investment is allocated across the highway assets.

Council Investment	Programmes	How are the Projects and Programmes Determined?	Funding Allocations (£000)	
			2022-23	2023-24
Highway Asset Investment (Consisting of Department for Transport – Maintenance Grant £1.546M and Managing and Maintaining Highway £4.529M)	<ul style="list-style-type: none"> • Drainage Improvements • Bridges & Structures • Street Lighting • Road Marking Replacement • Road Repairs • Footway Improvements • Traffic Signals • Minor Works – Pedestrian crossings • Air Quality • Road Safety – (Speed Management Strategy – 20mphs in 23/24) • STEPS Programme • Ward Member highway improvement budget (<i>Ref Highways and Transport Committee Paper & Decision 22.09.22</i>) • EV Charging On Street Funding bid (<i>in 2023/34 allocated from Integrated Transport Block</i>) 	Highway Asset management led approach using established Council asset led scoring matrices to prioritise works.	1,225	601
			1,000	703
			400	409
			100	234
			4,240	2,920
			542	562
				229
			100	93
				15
			270	126
			65	
				183
		Council match funding	100	0
		Sub Total	8,042	6,075
Traffic Signs and Bollards – LED Replacement				225
		Overall Council Investment		6,300

Table 6 Allocation of Additional Council Investment across key highway programmes in 2023/24

6.6.4 Other Funding Sources

6.6.4.1 In addition to the Local Transport Plan block grants received from central government and the Council's own additional investment in the public highway, the Council has secured other funding. Table 7 below identifies over £1.5m of additional investment in Active Travel infrastructure and improvements that the Council has successfully bid for delivery in 2023-24:

Other Capital Funding - Active Travel	Available Funding (£000)	
	2022-23	2023-24
Shared Prosperity Fund UK (Active Travel)	200	700
Active Travel Tranche 2 - Manchester Road, Tytherington		386
Capability and Ambition Fund (Active Travel) - Scheme development for bids		143
Sustrans - Hurdsfield Road / Black Lane Scheme	250	350
Total Investment	450	1,579

Table 7 Other Capital Funding - Investment in Active Travel Infrastructure and Improvements

6.6.5 Notes on funding Tables:

- Sufficient capital funding for the highway network from all sources is essential to provide a safe and well-maintained highway network through long term planned investment. The level of capital funding is not sufficient to maintain steady state and we remain in a situation of managed decline. This has an adverse impact on the revenue funded service as this results in higher number of defects requiring a greater proportion of the available revenue budget to deliver reactive repairs to keep the highway safe, but which score lower in terms of value for money.
- Between 2015-2021 the Government provided a six-year funding commitment for the Local transport Plan block grants which resulted in the annual grants received remaining unchanged throughout. When construction inflation was applied this resulted in a £1.6million cut in funding in real terms. Inflationary pressures on budgets remains a significant challenge post Covid with supply issues and staff shortages driving up material prices and employment costs.
- The latest announcement from the Department for Transport on Government funding for highways in 2022/23 commits to the same funding levels received in 2021/22 for the next three years. This perpetuates the 21% cut in the maintenance funding block grant and makes no provision for inflation which is running at significantly higher levels than between 2015-21.

6.7. Next Steps in Business Planning

- 6.7.1 The process of highway service business planning for 2023-24 began in October 2022 and is now almost complete in readiness for the start of the new financial year in April 2023.
- 6.7.2 In the early stages of this annual business planning process indicative funding, typically based on the revenue and capital allocations available in the current financial year are used. These are replaced by the actual budgets when agreed and published. This year the Council met to agree the MTFS for 2023/24 on 22nd February 2023 and the funding figures included in this report are based on the latest approved MTFS.
- 6.7.3 The funding allocations in this report have been used to complete the business planning process with the Council's contractor, Ringway Jacobs.

7 Consultation and Engagement

- 7.1 The overall highways capital and revenue budgets have been set following the Council's annual budget consultation process. This included a report presented to this committee on 26th January 2023 on the Medium-Term Financial Strategy for 2023/24 – 2026/27. As part of the consultation process the committee was asked to provide feedback on the proposals within the MTFS, as related to the Committee's responsibilities, that can support and advise Full Council in fulfilling its responsibilities to approve a balanced budget for 2023/24.
- 7.2 Corporate Policy committee, at its meeting on 9th February 2023, considered the feedback and made recommendations to the Council (considered at its 22nd February 2023 meeting) on the budget proposals contained in the final Medium Term Financial Strategy for 2023/24 – 2026/27.

8 Implications

8.1 Legal

- 8.1.1 The purpose of the report is to provide an overview of the intended expenditure under various budget lines.
- 8.1.2 Any financial expenditure should be in compliance with the Budget and Policy Framework, and the Finance Procedure rules as set out in the Constitution Chapter 3 part 3 and part 4.8.1.3.

8.2 Finance

- 8.2.1 The financial information in this report reflects the approved MTFS. No financial implications therefore arise from this report. The revenue and capital programmes utilise, and will be managed within, the available budgets provided by the Council and central government for 2023/24.

- 8.2.2 The recommended allocations proposed are designed to make best use of the available budgets to maintain and invest in the highway and transport network to meet Council objectives.

8.3 **Policy**

- 8.3.1 National and local policy context is covered in section 5.

8.4 **Equality**

- 8.4.1 An Equality Impact Assessment is undertaken for the delivery of schemes as part of the process to design and deliver them in line with the Council's current policy and practise and takes account of the needs of all residents and users of the public highway.

8.5 **Human Resources**

- 8.5.1 There are no Human Resource implications

8.6 **Risk Management**

- 8.6.1 The revenue and capital programmes should be treated as indicative as they are always subject to change because of unknown events such as extreme weather and flooding that must be responded to and recovered from in year. For example, the 2019 floods resulted in £2.5m of funding being reallocated and many programmes were impacted as a result. Such budget adjustments need to be made immediately however, the work and programme consequences would be reported at the next available committee meeting.
- 8.6.2 The highway network is the Council's largest asset. As such it represents a very large financial and reputational risk if it is not maintained and operated in line with engineering best practice.
- 8.6.3 The provision of day-to-day highway service and delivery of highway and transport projects has inherent risks, and these will vary for each scheme. The project team for the schemes deliver it in full compliance with the Construction Design Management (CDM) 2015 Regulations. These seek to address and minimise risk from the early stage of design through to completion of construction on site and subsequent whole life maintenance requirements.
- 8.6.4 The provision of the highway service and delivery of highway and transport schemes requires good project management which includes the development of a Contract wide and scheme specific risk registers. These are monitored and updated as risks are identified and mitigated to minimise their impact on the safe and efficient delivery of services and schemes. All risks have assigned owners who are responsible for mitigating and managing them.

8.7 Rural Communities

- 8.7.1 The Programmes are designed to provide a consistent level of routine and reactive highway service boroughwide and prioritises capital investment in highway maintenance and transport in line with the asset management strategy and Local Transport Plan for the benefit of all residents.

8.8 Children and Young People/Cared for Children

- 8.8.1 There are no direct implications for children and young people.

8.9 Public Health

- 8.9.1 Providing a safe highway network that promotes active travel is a key aim of the Council. Road safety activities that reduce traffic speed and volume can prevent injuries as well as a wider impact on health by encouraging active travel.
- 8.9.2 Investment in the highway asset to maintain condition, improve access and invest in active travel and public transport helps encourage healthier lifestyles and support modal shift to more sustainable modes of transport.
- 8.9.3 There is a strong evidence base to support improved wellbeing, and physical health through increased physical activity via improved access to green open spaces. The annual work programme helps deliver the Council's Local Transport Plan strategy objectives which support the maintenance and improvement of the Public Rights of Way network and facilitate Countryside Access Improvements where appropriate.
- 8.9.4 Targeted developments in areas with higher levels of deprivation also aim to reduce health inequalities. For example, improved transport networks, and sustainable travel impacts on ability to access employment, education, training, increased social connectivity and reducing social isolation, supporting the wider determinants of health.
- 8.9.5 The annual highway capital programmes includes funding for works that can help to improve air quality and therefore associated respiratory health improvements.
- 8.9.6 All the services and works described within this report are delivered through the Council's highway service Contract with integrated service provider Ringway Jacobs. This contract includes several Social Value outcomes which impact on the wider determinants of health and aim to reduce health inequalities.
- 8.10 Climate Change**
- 8.10.1 The highway service is playing its part in working to help deliver the Council's net zero carbon by 2025. Its key contribution to the work of the Council's Carbon group is twofold. The first is through the fleet implementation plan which is working with key services to introduce low carbon vehicles to replace traditional diesel or petrol powered, cars, vans,

and HGVs where practicable. The highway service has introduced small electric vans and consideration is being given to this for other vehicles within the fleet. To support this move, electric charging points have been installed in the highway depots and the Council is currently out to tender for the delivery of 15 EV charge in points in car parks and on highway in 2023. Where diesel/petrol vehicles are still necessary those operated are to the latest environmental standards. The second is the investment into converting all lit highway signs and bollards to low (LED) or no energy (solar) power. The two-year programme is underway and due for completion in March 2023 with some further work on additional assets in 2023-24.

- 8.10.2 Low carbon considerations are a high priority when planning programmes of work to maintain/improve highway assets. Where possible, materials and products with lower carbon footprint are selected, electric plant and equipment used, and recycling maximised on each site. Collaboration across teams and other services is part of the planning to make best use of a site and resources.
- 8.10.3 Good management of works on the highway through the Council's permit system also plays a key role as it coordinates the requirements of developers, utilities, and the Council's highway service for works on the highway. This reduces the impact to traffic travelling on the highway, as it keeps congestion down and minimises associated pollution.
- 8.10.4 Road safety enhancements help reduce the number of road traffic collisions and minimise disruption and congestion on the highway associated with such events. Road safety improvements can also encourage drivers to travel at lower and more appropriate speeds for the roads and conditions which can contribute to a reduction in vehicle emissions.

Access to Information	
Contact Officer:	Mike Barnett - Head of Highways Mike.barnett@cheshireeast.gov.uk
Appendices:	None
Background Papers:	None

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Working for a brighter future together

Highways and Transport Committee

Date of Meeting:	2 March 2023
Report Title:	2022/23 Financial Update
Report of:	Alex Thompson, Director of Finance and Customer Services (Section 151 Officer)
Report Reference No:	HT/51/22-23
Ward(s) Affected:	Not Applicable

1. Recommendations

That Highways and Transport Committee:

- 1.1. Notes the report of the Finance Sub-Committee ([Agenda for Finance Sub-Committee on Wednesday, 8th March, 2023, 2.00 pm | Cheshire East Council](#)), specifically the recommendations of that committee.
 - 1.1.1. Finance Sub-Committee recommend Service Committees to:
 - 1.1.1.1. note the financial update and forecast outturn relevant to their terms of reference.
 - 1.1.1.2. note the delegated decisions relating to supplementary revenue estimates for specific grants coded directly to services in accordance with Financial Procedure Rules as detailed in **Appendix 7, Section 2, Table 2.**
- 1.2. Notes Appendix 7 and the following sections specific to this Committee:
 - Changes to Revenue budget 2022/23
 - Corporate Grants Register
 - Debt Management
 - Capital Strategy
 - Reserve Strategy

2. Reasons for Recommendations

- 2.1.** Committees are responsible for discharging the Council's functions within the Budget and Policy Framework provided by Council. The Budget will be aligned with Committee and Head of Service responsibilities as far as possible.
- 2.2.** Budget holders are expected to manage within the budgets provided by full Council. Committee and Sub-Committees are responsible for monitoring financial control and making decisions as required by these rules.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) alex.thompson@cheshireeast.gov.uk
Appendices:	Finance Sub Committee 2022-23 Financial Update which includes: Covering Report Annex 1: Appendix 7 Highways and Transport Committee.
Background Papers:	Medium-Term Financial Strategy 2022-26 First Financial Review, Item No.14 Financial Review 2022/23, Item No. 5 Financial Review Update 2022/23, Item No. 52 Medium-Term Financial Strategy 2023-27



Working for a brighter future together

Finance Sub-Committee

Date of Meeting:	8 March 2022
Report Title:	2022/23 Financial Update
Report of:	Alex Thompson: Director of Finance and Customer Services
Report Reference No:	To be provided by Democratic Services
Ward(s) Affected:	Not applicable

1. Purpose of Report

- 1.1.** The report provides Members with an update on financial management for the year 2022/23.
- 1.2.** The in-year forecasts remain the same as reported to the Finance Sub-Committee on 19 January 2023 as part of the draft Medium-Term Financial Strategy 2023-27, which was subsequently presented to Corporate Policy Committee on 9 February, and Council on 22 February 2023.
- 1.3.** This report includes requests for formal approvals of various matters, including fully funded supplementary budgets, as required in line with the Constitution.
- 1.4.** Members are being asked to note the on-going serious financial challenges being experienced by the Council, due to global/ national economic circumstances which are raising prices and demand for services, and where local needs are becoming increasingly complex.
- 1.5.** Mitigating activity continues, to minimise the impact on services and the outturn position.
- 1.6.** Reporting the financial forecast outturn supports the Council's vision to be an open Council, as set out in the Corporate Plan 2021 to 2025 - in particular, the priorities for being an open and enabling organisation, and ensuring that there is transparency in all aspects of Council decision making.

2. Executive Summary

- 2.1.** The Council aims to operate a financial cycle of planning, monitoring and reporting. This update is part of the monitoring cycle providing the forecast outturn position and any impacts on planning for next year's budget. The issues raised in this report are also seriously impacting on the planning cycle of the Council.
- 2.2.** This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of Council decision making.
- 2.3.** The Council set its 2022/23 annual budget in February 2022. The budget was balanced, as required, and included important planning assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2022 to 2026.
- 2.4.** The provisional financial outturn for 2021/22 was reported in July 2022 and recognised emerging pressure within the final quarter of the year up to 31 March 2022. This was particularly linked to rising inflation and complexity of demand for care. It was also acknowledged specific risks remained unmitigated in respect of the Council's Private Finance Initiative and High Needs within the Dedicated Schools Grant.
- 2.5.** National increasing inflation during 2022/23 is having a significant impact on the cost of Council services as well as on the cost of living for local residents.
- 2.6.** The Council's Medium Term Financial Strategy recognises that the Council has relatively low levels of reserves as funding is instead utilised to manage ongoing service demand. This means mitigation of spending pressures must come from a combination of activities, such as:
 - 2.6.1.** Additional use of grants and balances: Covid-19 grants to be fully utilised alongside appropriate application of Public Health Grants; integrated use of grants with Health Partners; drawing down from MTFS Reserve, General Reserves and specific service and company reserves where practical. Flexible use of capital receipts has also been reviewed, allowing eligible one-off revenue transformation expenditure by services to be funded from the proceeds of asset sales, in accordance with regulations.
 - 2.6.2.** Further efficiencies and income generation: Services are limiting all non-essential spending requirements; efficiencies will be sought beyond the current MTFS; project spending will be delayed where this is cost effective; charging will be reviewed to ensure discretionary services are properly funded.
- 2.7.** The report sets out details of the latest Financial Review of the Council's forecast financial performance for 2022/23:

Annex 1: 2022/23 Financial Update

- **Financial Stability:** Provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.
- **Appendices:**
 - Appendix 1** Adults and Health Committee.
 - Appendix 2** Children and Families Committee.
 - Appendix 3** Corporate Policy Committee.
 - Appendix 4** Economy and Growth Committee.
 - Appendix 5** Environment and Communities Committee.
 - Appendix 6** Finance Sub-Committee.
 - Appendix 7** Highways and Transport Committee.

3. Recommendations

Finance Sub-Committee is asked to:

- 3.1.** Note the forecast adverse Net Revenue financial pressure of £7.7m against a revised budget of £328.3m, as previously reported to Finance Sub-Committee on 19 January 2023
- 3.2.** Note the forecast Capital Spending of £125.2m against an approved MTFS budget £185.2m.
- 3.3.** Note the contents of Annex 1 and each of the appendices.
- 3.4.** Approve supplementary revenue estimates for specific grants coded directly to services up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6 Finance Sub-Committee, Section 3 Corporate Grants Register, Table 3.**
- 3.5.** Approve the drawdown from MTFS reserve for transport detailed in **Appendix 6, Section 5.**
- 3.6.** Note that Council will be asked to approve:
 - 3.6.1.** Fully funded supplementary revenue estimates for specific grants coded directly to services over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 1, Section 2 Corporate Grants Register, Table 2, Appendix 2, Section 2 Corporate Grants Register, Table 2 and Appendix 3, Section 2 Corporate Grants Register, Table 2.**
- 3.7.** Recommend to Service Committees to:
 - 3.7.1.** Note the financial update and forecast outturn relevant to their terms of reference.

- 3.7.2. Note the delegated decisions relating to supplementary revenue estimates for specific grants coded directly to services in accordance with Financial Procedure Rules as detailed in **Section 2 of each Committee Appendix**.

4. Reasons for Recommendations

- 4.1. The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy.
- 4.2. The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the constitution any changes to the budgets agreed by Council in the MTFS require approval in-line with the financial limits within the Finance Procedure Rules.
- 4.3. This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 4.4. In approving the Cheshire East Council Medium-Term Financial Strategy members of the Council had regard to the robustness of estimates and adequacy of reserves as reported by the s.151 Officer. The s.151 Officer's report highlighted the importance of each element of the MTFS and the requirement to achieve all the proposals within it. The recommendations of this report highlight the need for ongoing activity to manage the financial pressure being experienced by the Council.
- 4.5. Financial plans are predicated on robust estimates and supported by adequate reserves. The issues raised in this report present significant challenges to this assessment due to ongoing uncertainty about costs, achievement of actions and use of reserves. It is therefore important for ongoing effort to be put into achievement of the Action Plans and associated financial targets.

5. Other Options Considered

- 5.1. None. This report is important to ensure members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue. Activity is required to ensure the Council balances its expenditure and income without serious impact on essential Council services.

6. Background

- 6.1. Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest Local Authority in the Northwest of England, responsible for

approximately 500 services, supporting over 398,000 local people. Gross annual spending is over £700m, with a revised net revenue budget for 2022/23 of £328.4m.

- 6.2.** The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan.
- 6.3.** The political structure of the Council is organised into six committees, with a single sub-committee, all with financial responsibilities acutely aligned to the management structure. Performance against the 2022/23 Budget within each Committee, and the sub-committee, is outlined in Table 1 below.

6.4. Table 1 – Revenue Outturn Forecast split by the Six Service Committees and the Finance Sub-Committee

2022/23	Revised Budget	Forecast Outturn	Forecast Variance	Change since First Review
(GROSS Revenue Budget £474.2m)	(NET) £m	£m	£m	£m
Service Committee				
Adults and Health	121.1	130.0	8.9	0.0
Children and Families	74.2	77.7	3.5	(0.5)
Corporate Policy	40.6	41.0	0.4	(0.0)
Economy and Growth	23.6	22.8	(0.8)	(1.0)
Environment and Communities	44.4	47.3	2.9	1.2
Highways and Transport	13.8	13.6	(0.2)	(0.7)
Sub-Committee				
Finance Sub	(317.7)	(324.7)	(7.0)	-
TOTAL	-	7.7	7.7	(1.0)

- 6.5.** The Council set a balanced net revenue budget of £327.7m at its meeting in February 2022. Current forecasts against the revised budget of £328.3m, shows a potential net expenditure of £336.0m. This position is despite significant and challenging mitigation work by staff. All staff were issued with information on spending controls, with ongoing communication planned on this topic.
- 6.6.** In December a forecast outturn of £8.7m net overspend was reported at the Corporate Policy Committee. The make-up of the changes in the forecast position to £7.7m is outlined in the following paragraphs:
- 6.6.1.** Increased care commitments within Adults, Health and Integration are being offset by further income, for example, from direct payment reimbursements and external grants (no change).

- 6.6.2. Children and Families Directorate (-£0.5m) - Additional costs of home to school transport from increasing SEND demand, fuel costs and contract costs offset by charging additional amounts to transformation costs to capital receipts and additional underspending in Strong Start from holding vacancies. This forecast assumes that £1.6m of resettlement funding can be applied to costs incurred in 2022/23 and that piece of work is ongoing. Pressure remains on the DSG high needs block as a result of the growth in the number of pupils with an education, health and care plan. The Council holds an unusable reserve to manage DSG balances without impacting on the Council's General Reserves. The balance on the DSG reserve is forecast to be £45.6m deficit at 31 March 2023. That position is under review and may be under additional pressure.
- 6.6.3. Environment and Neighbourhood Services (£1.1m) - Company pay pressures of £1.4m are partially offset by a number of vacancies within the Planning service which will not be filled before the year end -£0.2m and lower waste tonnage and premises costs.
- 6.6.4. Growth and Enterprise (-£0.9m) - Cost reduction in Estates of £0.3m due to deferral of some non-essential maintenance work. £0.4m due to release of reserve for the ELENA project and £0.2m grant received relating to Reopening High Streets Safely.
- 6.6.5. Highways and Infrastructure (-£0.7m) - Improved position due to continuing high levels of income which is contributing a further £0.5m in 2022/23, costs of the RJ contract are predicted to be £0.2m lower than budget.
- 6.6.6. Increase in the forecast overspend within the Transactional Service Centre due to additional temporary staff in recruitment and pay, external consultants costs (Agylisis), and additional Governance & Support staff costs. Fall in the underspend being forecast by Customer Services due to test & trace final grant income no longer being received, and back pay costs for staff regrades in the newly formed continuous improvements team (£0.4m).
- 6.6.7. Confirmation of new burdens funding within the Elections Service and lower than previously forecast electoral registrations costs (-£0.2m).
- 6.6.8. Improvement within ICT due to the use of capital reserve for laptop replacement and an improved revenue contracts forecast decreasing the ICT Strategy overspend (-£0.2m).
- 6.6.9. No change in forecast for Central Budgets.
- 6.7.** General Reserve balances are risk assessed and it was highlighted in the MTFs that emerging risks such as inflation and particularly the DSG deficit, have no alternative funding. To address the issue of emerging financial pressure senior officers set up Action Plans, which continued to be

developed to identify activities required to bring spending back in line with the MTFS. Actions may be required in-year to provide financial stability for future years. Such decisions will be appropriately governed and communicated ensuring relevant consultation and impact assessments are addressed.

- 6.8. There is a clear ambition for each Committee to achieve spending in-line with the approved MTFS for all years. However, in some cases, given the seriousness of the financial pressure being put on the Council, Committee Members should consider options to exceed financial performance targets to retain an overall balanced position.
- 6.9. Whilst some inflation factors may be temporary, the Action Plans must also consider the medium-term resilience of mitigation activity. For example, the use of one-off balances, to mitigate in-year spend, may be effective in the short term, but would not be effective if spending is likely to recur in later years.

7. Consultation and Engagement

- 7.1. As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

8. Implications

8.1. Legal

- 8.1.1. The legal implications surrounding the process of setting the 2022 to 2026 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report for 2022/23.
- 8.1.2. Other implications arising directly from this report relate to the internal processes of approving supplementary estimates and virements referred to above which are governed by the Finance Procedure Rules.
- 8.1.3. Legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt with in the individual reports to Members or Officer Decision Records that relate.

8.2. Finance

- 8.2.1. The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance help to ensure that resources are

used effectively, and that business planning and financial decision making are made in the right context.

- 8.2.2. Financial plans are predicated on robust estimates and supported by adequate reserves. The issues raised in this report present significant challenges to this assessment due to ongoing uncertainty about costs, achievement of actions and use of reserves. It is therefore important for ongoing effort to be put into the achievement of the Action Plans and associated financial targets.
- 8.2.3. Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.
- 8.2.4. The unplanned use of financial reserves could require the Council to deliver a greater level of future savings to replenish reserve balances and / or revise the level of risks associated with the development of the Reserves Strategy in future.
- 8.2.5. As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.
- 8.2.6. Forecasts contained within this update provided important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year identified whether such performance is likely to continue, and this enables more robust estimates to be established.

8.3. Policy

- 8.3.1. This report is a backward look at Council activities and predicts the year-end position.
- 8.3.2. The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2023 to 2027 Medium-Term Financial Strategy.

8.4. Equality

- 8.4.1. In setting the 2022/23 budget, an Equality Impact Assessment was prepared to show that proposals included positive and negative impacts in headline terms. Any equality implications that arise from activities funded by the budgets will be dealt within the individual reports to Members or Officer Decision Records to which they relate. These will be reviewed, as appropriate in the light of the mitigation actions referred to in this report.

8.5. Human Resources

- 8.5.1. This report is a backward look at Council activities and states the forecast year-end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

8.6. Risk Management

- 8.6.1. Performance and risk management are part of the management processes of the Authority. Risks are captured at Strategic and Operational levels, both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders.
- 8.6.2. Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2021/22 budget and the level of general reserves were factored into the 2022/23 financial scenario, budget and reserves strategy.

8.7. Rural Communities

- 8.7.1. The report provides details of service provision across the borough.

8.8. Children and Young People/Cared for Children

- 8.8.1. The report provides details of service provision across the borough.

8.9. Public Health

- 8.9.1. Public health implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

8.10. Climate Change

- 8.10.1. Climate change implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

Access to Information	
Contact Officer:	<p>Alex Thompson</p> <p>Director of Finance and Customer Services (Section 151 Officer)</p> <p>alex.thompson@cheshireeast.gov.uk</p> <p>01270 685876</p>
Appendices:	<p>Annex 1 including:</p> <p>Section 1 provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices.</p> <p>Appendix 1 Adults and Health Committee.</p> <p>Appendix 2 Children and Families Committee.</p> <p>Appendix 3 Corporate Policy Committee.</p> <p>Appendix 4 Economy and Growth Committee.</p> <p>Appendix 5 Environment and Communities Committee.</p> <p>Appendix 6 Finance Sub-Committee.</p> <p>Appendix 7 Highways and Transport Committee.</p>
Background Papers:	<p>The following are links to key background documents:</p> <p>Medium-Term Financial Strategy 2022-26</p> <p>First Financial Review, Item No.14</p> <p>Financial Review 2022/23, Item No. 5</p> <p>Financial Review Update 2022/23, Item No. 52</p> <p>Medium-Term Financial Strategy 2023-27</p>



2022/23 Financial Update

March 2022

This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, the Council welcomes feedback to the information contained here.

Anyone wanting to comment is invited to contact the Council at:

RandC@cheshireeast.gov.uk

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £470m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in forecast outturn of £336.0m against a net revenue budget of £328.3m, with the most significant impact within the rising complexity of needs in Adult Social Care.

When the 2022/23 budget was set, in February 2022, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. Early in the year forecasts highlighted pressures due to demand, inflation and pay negotiations. The pressures affecting the medium term finances of the Council have been addressed as part of the MTFs process for 2023 to 2027.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then seven supporting appendices with detailed information about allocation and management of public money during 2022/23:

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

- **Appendix 1** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Finance Sub-Committee.
- **Appendix 7** Highways and Transport Committee.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

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2022/23 Outturn Forecast - Financial Position

2022/23	Revised Budget
(GROSS Revenue Budget £474.2m)	(NET) £m
SERVICE DIRECTORATES	
Adults, Health and Integration	121.1
Children's Services	74.2
Place	81.8
Corporate Services	40.6
CENTRAL BUDGETS	
Capital Financing	19.0
Transfer to/(from) Earmarked Reserves	(3.2)
Transfer from MTFS Earmarked Reserve	-
Corporate Contributions / Central Budgets	(5.2)
TOTAL NET EXPENDITURE	328.3
Business Rates Retention Scheme	(49.1)
Specific Grants	(24.5)
Council Tax	(254.7)
Net Funding	(328.3)
NET (SURPLUS) / DEFICIT	-

Financial Stability

Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of rapid inflation, the legacy impact of the Coronavirus pandemic and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. Rising inflation in fuel, utilities and wage levels are affecting costs across all services.
3. In December a forecast outturn of £8.7m net overspend was reported at the Corporate Policy Committee (The full report can be found [Agenda for Corporate Policy Committee on Monday, 1 December, 2022, 10.00 am, Item 10 | Cheshire East Council](#)).
4. The outturn position is now forecast to be an overspend of £7.7m due to the following changes since the second review:
 - Increased care commitments, within Adults, Health and Integration, are being offset by income, for example, from direct payment reimbursements and external grants. This results in no net change to the forecast.
 - The Children and Families Directorate forecast has improved by -£0.5m. Additional costs of home to school transport from increasing SEND demand, fuel costs and contract costs is being offset by charging additional amounts to transformation costs to capital receipts and additional underspending in Strong Start from holding vacancies. This forecast assumes that £1.6m of resettlement funding will be applied to costs incurred in 2022/23. Pressure remains on the DSG high needs block as a result of the growth in the number of pupils with an education, health and care plan. The Council holds an unusable reserve to manage DSG balances without impacting on the Council's General Reserves. The balance on the DSG reserve is forecast to be at least £45.6m deficit as at 31 March 2023.
 - Environment and Neighbourhood Services forecast pressures have changed by £1.2m. Environmental services operational costs of £1.3m are partially offset by lower premises costs, and vacancies within the Planning service which will not be filled before the year end.
 - Growth and Enterprise forecast has improved by -£1.0m. Cost reduction in Estates of £0.3m due to deferral of some non-essential maintenance work. £0.5m due to release of reserve for the ELENA project and £0.2m grant received relating to Reopening High Streets Safely.
 - Highways and Infrastructure forecast has improved by -£0.7m. Continuing high levels of income is contributing a further £0.5m in 2022/23, costs of the Ringway Jacobs contract are predicted to be £0.2m lower than budget.
 - Increase in the forecast overspend within the Transactional Service Centre due to additional temporary staff in recruitment and pay, external consultants costs (Agyllis), and additional Governance and Support staff

costs. Fall in the underspend being forecast by Customer Services due to test and trace final grant income no longer being received, and back pay costs for staff regrades in the newly formed Continuous Improvements team (£0.4m).

- Confirmation of new burdens funding within the Elections Service and lower than previously forecast electoral registrations costs (-£0.2m).
 - Improvement within ICT due to the use of capital reserve for laptop replacement and an improved revenue contracts forecast decreasing the ICT Strategy overspend (-£0.2m).
 - No change in forecast for Central Budgets.
5. This forecast may be subject to variation in the final quarter, as budget managers will continue to take robust actions to control costs and reduce non-essential expenditure to improve this position further.
6. Individual pressures identified above are reflected in the MTFS for 2023/24 to 2026/27. Any betterment to the forecast outturn position should be utilised to replenish reserves in line with the priority of the Corporate Plan.

Table 1 - Service Revenue Outturn Forecasts

2022/23	Revised Budget	Forecast Outturn	Forecast Variance
(GROSS Revenue Budget £474.2m)	(NET)		
	£m	£m	£m
SERVICE DIRECTORATES			
Adult Social Care - Operations	117.5	126.1	8.6
Commissioning	3.6	3.9	0.3
Public Health	-	-	-
Adults and Health Committee	121.1	130.0	8.9
Directorate	1.0	0.6	(0.4)
Children's Social Care	47.0	49.5	2.5
Strong Start, Family Help and Integration	7.7	6.0	(1.7)
Education & 14-19 Skills	18.5	21.6	3.1
Children and Families Committee	74.2	77.7	3.5
Directorate	0.8	0.7	(0.1)
Growth & Enterprise	22.8	22.1	(0.7)
Economy and Growth Committee	23.6	22.8	(0.8)
Environment & Neighbourhood Services	44.4	47.3	2.9
Environment and Communities Committee	44.4	47.3	2.9
Highways & Infrastructure	13.8	13.6	(0.2)
Highways and Transport Committee	13.8	13.6	(0.2)
Directorate	1.4	1.3	(0.1)
Finance & Customer Services	12.5	13.1	0.6
Governance & Compliance Services	11.9	11.3	(0.6)
Communications	0.7	0.7	-
HR	2.4	2.2	(0.2)
ICT	9.8	10.5	0.7
Policy & Change	1.9	1.9	-
Corporate Policy Committee	40.6	41.0	0.4
TOTAL SERVICES NET EXPENDITURE	317.7	332.4	14.7
CENTRAL BUDGETS			
Capital Financing	19.0	19.0	-
Transfer to/(from) Earmarked Reserves	(3.2)	(9.2)	(6.0)
Corporate Contributions / Central Budgets	(5.2)	(6.2)	(1.0)
Finance Sub-Committee - Central Budgets	10.6	3.6	(7.0)
TOTAL NET EXPENDITURE	328.3	336.0	7.7
Business Rates Retention Scheme	(49.1)	(49.1)	-
Specific Grants	(24.5)	(24.5)	-
Council Tax	(254.7)	(254.7)	-
Finance Sub-Committee - Net Funding	(328.3)	(328.3)	-
NET (SURPLUS) / DEFICIT	-	7.7	7.7

Outturn Impact

7. It is planned that £5.2m will be used from the MTFs reserve to mitigate the overspend. The residual impact on General Reserves would be a reduction of £2.5m, decreasing the forecast closing balance of £14.9m to a potential closing balance of £12.4m, which is aligned to the risk assessed level of reserves for the 2023/24 Budget.
8. The Council will continue to manage and review the financial forecasts in response to emerging pressures and how this affects the Council's revenue budget.

Collecting Local Taxes for Local Expenditure

9. Cheshire East Council collects Council Tax and Non Domestic Rates for use locally and nationally.

Council Tax

10. Council tax is set locally and retained for spending locally. Council tax was set for 2022/23 at £1,626.24 for a Band D property. This is applied to the taxbase.
11. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect council tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2022/23 was agreed at 156,607.48 which, when multiplied by the Band D charge, means that the expected income for the year is £254.7m.
12. In addition to this, Cheshire East Council collects council tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £313.8m.

13. This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the amount billed will therefore exceed the budget.
14. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £315.6m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	254.7
Cheshire Police and Crime Commissioner	36.9
Cheshire Fire Authority	12.9
Town and Parish Councils	9.3
Total	313.8

15. **Table 4** shows collection rates within three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – 99% of Council Tax is collected in three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.2	97.9	97.4	97.8
After 2 years	99.0	98.8	98.3	**
After 3 years	99.2	98.9	**	**

**data not yet available

16. The council tax in-year collection rate for the period up to the end of December 2022 is 82.9%. This is a small decrease of 0.5% on the previous year, indicating current cost of living pressures. Facilities are in place for residents to extend payments where needed and staff are engaging with residents who need additional support.
17. Council tax support payments were budgeted at £18.4m for 2022/23 and at the end of December the total council tax support awarded was £18.7m.
18. During 2021/22 there was a consultation and review of the Council Tax Support scheme resulting in some amendments being made. The revised scheme was confirmed by full Council in December 2021.
19. Council tax discounts awarded are £29m which is a slight increase in comparison to the same period in 2021/22. A small increase is attributable to work related to raising awareness of the discounts available to residents.
20. Council tax exemptions awarded is £7.7m which although broadly in line with previous years shows a slight increase due to reasons shown at 19.

Non-Domestic Rates (NDR)

21. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.
22. The small business multiplier applied to businesses which qualify for the small business relief was set at 49.9p in

2022/23. The non-domestic multiplier was set at 51.2p in the pound for 2022/23.

23. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.
24. The business rates in-year collection rate for the period up to the end of December 2022 is 80.8%. This is a significant increase on last year and begins to revert collection rates back to pre-pandemic figures. A return to standard collection processes and government support through additional reliefs has assisted the recovery in collection.

Table 5 – Over 99% of Business Rates are collected within three years

Financial Year	CEC Cumulative			
	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
After 1 year	98.5	98.2	92.4	95.6
After 2 years	99.4	98.4	97.4	**
After 3 years	99.4	99.2	**	**

**data not yet available

Appendices to the 2022/23 Financial Update

March 2022

Appendix 7 : Highways and Transport Committee

Contents

Highways and Transport Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Financial Review Update**
- 2. Corporate Grants Register**

Table 1: Highways and Transport Committee Grants

**Table 2: Delegated Decision Additional Grant Funding (Specific Use)
£500,000 or less**

- 3. Debt Management**
- 4. Capital Strategy**
- 5. Reserves Strategy**

Appendix 7

Highways and Transport Committee

1. Changes to Revenue Budget 2022/23 since Financial Review Update

	Second review Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Revised Net Budget £000
Highways and Transport				
Highways & Infrastructure	13,792	-	-	13,792
	13,792	-	-	13,792

2. Corporate Grants Register

Table 1 – Corporate Grants Register

Corporate Grants Register	National Allocation 2022/23 £m	Revised Forecast 2022/23 £000
SPECIFIC USE (Held within Services)		
Highways and Transport Committee		
Bus Service Operators Grant	not available	348
Bus Capacity Grant - brought forward	not available	326
Bus Capacity Grant	not available	574
Better Deal for Buses - Supported Bus Services - brought forward	not available	320
Better Deal for Buses - Rural Mobility Grant - brought forward	not available	5
Bus Service Improvement Fund - brought forward	not available	7
Local Authority Capability Fund - brought forward	15.385	132
Active Travel Social Prescribing Grant - brought forward	2.231	42
Active Travel Capability Fund	not available	143
Mini Holland Feasibility - brought forward	83.395	79
On Street Residential Chargepoint Scheme (ORCS)	not available	0
LTA Enhanced Bus Partnership Grant	10.824	171
Rural Mobility Fund - brought forward	not available	1,020
Total		3,167
GENERAL PURPOSE (Held Corporately)		
Highways and Transport		
Pavement Licensing - New Burdens	not available	13
Total		13
Total Highways and Transport Committee		3,180

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.3 **Table 2** shows additional grant allocations that have been received which are £500,000 or less and are for noting only.

Table 2 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

Committee	Type of Grant	£000	Details
Highways and Transport	Active Travel Capability Fund	143	This revenue grant enables local transport authorities to promote cycling and walking in their areas. Capability fund: local transport authority allocations - GOV.UK (www.gov.uk)
Total Specific Purpose Allocations £500,000 or less		143	

3. Debt Management

	Debt £000	months old £000
Highways and Transport Committee		
Highways and Infrastructure	1,025	546
	1,025	546

4. Capital Strategy

Highways and Transport								CAPITAL					
CAPITAL PROGRAMME 2023/24- 2026/27													
Scheme Description	Forecast Expenditure						Total Forecast Budget 2023/27 £000	Forecast Funding					Total Funding £000
	Prior Years £000	Revised Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Strategic Infrastructure													
A500 Dualling Scheme	9,264	1,602	1,627	26,990	49,973	0	80,192	53,285	4,300	0	0	22,607	80,192
A50 / A54 Holmes Chapel	81	25	347	150	0	0	522	0	522	0	0	0	522
A51 / A500 Corridor Nantwich	231	19	0	0	0	0	19	0	0	0	0	19	19
A54 / A533 Leadsmyth Street, Middlewich	134	40	389	0	0	0	429	0	429	0	0	0	429
A556 Knutsford to Bowdon	361	5	40	98	0	0	143	0	143	0	0	0	143
A6 MARR CMM Disley	1,646	15	61	0	0	0	76	0	22	0	0	54	76
A6 MARR CMM Handforth	492	125	184	400	0	0	709	226	48	0	0	434	709
A6 MARR Technical Design	271	53	150	0	0	0	203	70	133	0	0	0	203
Congleton Link Road	69,970	3,047	2,457	6,040	2,915	4,014	18,473	316	15,168	0	0	2,989	18,473
Crewe Green Link Road	26,170	455	0	0	0	0	455	0	455	0	0	0	455
Crewe Green Roundabout	7,053	10	50	190	197	0	447	0	447	0	0	0	447
Flowerpot Phs 1 & Pinchpoint	1,271	360	2,631	3,510	2,265	0	8,766	2,304	726	0	0	5,736	8,766
Future High Streets Fund - Highways	480	935	2,198	2,251	304	0	5,688	5,485	203	0	0	0	5,688
Highway S106 Schemes	0	245	549	168	0	0	962	41	921	0	0	0	962
Infrastructure Scheme Development	0	0	250	0	0	0	250	250	0	0	0	0	250
Middlewich Eastern Bypass	16,176	6,806	11,091	13,817	43,268	0	74,982	46,779	13,341	0	0	14,862	74,982
Middlewich Rail Study	0	20	0	0	0	0	20	20	0	0	0	0	20
M6 Junction 19	23	6	0	0	0	0	6	0	6	0	0	0	6
North-West Crewe Package	7,446	13,044	14,758	3,445	3,658	0	34,905	9,710	12,250	0	1,730	11,215	34,905
Old Mill Road / The Hill Junction	145	40	1,139	0	0	0	1,179	0	1,179	0	0	0	1,179
Poynton Relief Road	29,670	16,202	46	1,355	5,385	0	22,987	8,335	6,200	0	0	8,453	22,987
S106 Davenport Lane, Arclid	60	292	0	0	0	0	292	245	47	0	0	0	292
Sydney Road Bridge	10,103	10	50	140	198	0	398	0	398	0	0	0	398
Total Strategic Infrastructure Schemes	181,046	43,356	38,015	58,554	108,163	4,014	252,102	127,066	56,938	0	1,730	66,369	252,102
Highways													
A532 Safer Road Fund Scheme	260	388	575	0	0	0	963	864	0	0	0	99	963
A536 Safer Road Fund Scheme	1,461	599	344	0	0	0	943	849	0	0	0	94	943
A537 Safer Road Fund Scheme	745	1,988	0	0	0	0	1,988	1,745	0	0	0	243	1,988
Air Quality Action Plan	221	147	0	0	0	0	147	147	0	0	0	0	147
Alderley Edge Bypass Scheme Implementation	60,317	147	147	0	0	0	294	0	0	0	0	294	294
Bridge Maintenance Minor Wks	14,570	3,102	0	0	0	0	3,102	1,685	0	0	0	1,417	3,102
Client Contract and Asset Mgmt	510	631	0	0	0	0	631	631	0	0	0	0	631
Crewe Rail Exchange	6,693	19	0	0	0	0	19	19	0	0	0	0	19
Highway Maintenance Minor Wks	0	17,119	0	0	0	0	17,119	10,685	0	0	0	6,434	17,119
Highway Pothole/Challenge Fund	7,925	446	0	0	0	0	446	0	0	0	0	446	446
Jack Mills Way Part 1 Claims	278	22	0	0	0	0	22	0	22	0	0	0	22
Local Access - Crewe Transport Access Studies	83	517	0	0	0	0	517	517	0	0	0	0	517

CAPITAL PROGRAMME 2023/24- 2026/27													
Scheme Description	Forecast Expenditure						Total Forecast Budget 2023/27 £000	Forecast Funding					Total Funding £000
	Prior Years £000	Revised Budget 2022/23 £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Local Highway Measures	5,546	1,020	0	0	0	0	1,020	1,020	0	0	0	0	1,020
Part 1 Claims	34	79	0	0	0	0	79	79	0	0	0	0	79
Programme Management	784	227	0	0	0	0	227	227	0	0	0	0	227
Road Network & Linked Key Inf	78	5	0	0	0	0	5	5	0	0	0	0	5
Road Safety Schemes Minor Wks	5,056	496	0	0	0	0	496	496	0	0	0	0	496
Traffic Signal Maintenance	17	483	0	0	0	0	483	483	0	0	0	0	483
Traffic Signs and Bollards - LED Replacement	0	1,025	225	0	0	0	1,250	0	0	0	0	1,250	1,250
Winter Service Facility	479	130	130	130	130	0	520	0	0	0	0	520	520
Total Highways Schemes	105,057	28,589	1,421	130	130	0	30,270	19,452	22	0	0	10,796	30,270
Strategic Transport & Parking Services													
Accessibility: Public Transport	907	113	0	0	0	0	113	113	0	0	0	0	113
Active Travel Fund (Covid-19)	436	288	0	0	0	0	288	288	0	0	0	0	288
Active Travel (Cycling / Walking Route) Investment	2,179	576	0	0	0	0	576	576	0	0	0	0	576
Broadway Meadow Carpark	0	48	0	0	0	0	48	0	0	0	0	48	48
Car Parking Improvements (including residents parking)	262	30	30	0	0	0	60	0	0	0	0	60	60
Digital Car Parking Solutions	93	0	47	0	0	0	47	0	0	0	0	47	47
National Cycle Network (NCN) Route 55 Middlewood Way	0	569	0	0	0	0	569	569	0	0	0	0	569
On-street Residential Charging	0	50	205	0	0	0	255	155	0	0	0	100	255
Pay and Display Parking Meters	531	8	41	40	0	0	89	0	0	0	0	89	89
Sustainable Travel Access Prog	1,552	560	1,312	0	0	0	1,872	1,325	309	0	0	238	1,872
Sustainable Modes of Travel to Schools Strategy (SMOTSS)	472	148	0	0	0	0	148	148	0	0	0	0	148
Town Studies	426	125	0	0	0	0	125	125	0	0	0	0	125
Total Strategic Transport & Parking Services Schemes	6,858	2,515	1,636	40	0	0	4,191	3,299	309	0	0	582	4,191
HS2 Programme													
Crewe HS2 Hub Project Development	7,661	1,000	1,500	2,540	0	0	5,040	0	0	0	0	5,040	5,040
Total HS2 Schemes	7,661	1,000	1,500	2,540	0	0	5,040	0	0	0	0	5,040	5,040
Total Committed Schemes	300,622	75,460	42,572	61,263	108,293	4,014	291,602	149,817	57,269	0	1,730	82,787	291,602
New Schemes													
Highways													
Peacock Roundabout Junction	0	0	250	500	0	0	750	0	750	0	0	0	750
Pothole Funding	0	0	5,799	5,799	5,799	5,799	23,196	23,196	0	0	0	0	23,196
Integrated Block - LTP	0	0	2,003	2,003	2,003	2,003	8,012	8,012	0	0	0	0	8,012
Maintenance Block - LTP	0	800	7,345	7,609	7,878	5,799	29,432	23,996	0	0	0	5,436	29,432
Incentive Fund - LTP	0	0	1,450	1,450	1,450	1,450	5,800	5,800	0	0	0	0	5,800
Managing and Maintaining Highways	0	440	4,529	4,619	4,712	0	14,300	0	0	0	0	14,300	14,300
Total Highways New Schemes	0	1,240	21,376	21,980	21,842	15,051	81,490	61,004	750	0	0	19,736	81,490
Total Highways & Transport Schemes	300,622	76,700	63,948	83,244	130,135	19,065	373,092	210,821	58,019	0	1,730	102,523	373,092

5. Reserves Strategy

Highways and Transport Committee

Name of Reserve	Opening Balance 1st April 2022 £000	Forecast Movement in Reserves 2022/23 £000	Forecast Closing Balance 31st March 2023 £000	Notes
Highways and Infrastructure				
HS2	985	(200)	785	To support the Council's ongoing programme in relation to Government's HS2 investment across the borough and Transport for the North's Northern Powerhouse Rail Business Case. £200k to be released in 2022/23
Flood Recovery Works	400	(400)	0	To be released in 2022/23
Well Managed Highway Infrastructure Delay	230	(230)	0	To be released in 2022/23
Parking Pay and Display Machines / Parking Studies	178	(28)	150	To cover contract inflation for P&D machines and for new regulation from DfT on role of parking in decarbonising transport.
Highways Procurement Proj	104	(27)	77	To finance the development of the next Highway Service Contract. Depot mobilisation costs, split over 7 years from start of contract in 2018.
LEP-Local Transport Body	39	(20)	19	To fund the business case work for re-opening the Middlewich rail line. £20k is anticipated to be utilised in 2022/23, with the remaining £19k required in 2023/24.
HIGHWAYS AND TRANSPORT TOTAL	1,936	(905)	1,031	

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Work Programme – Highways and Transport Committee – 2022/23

A Report title in Bold indicates that this is a significant decision

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
HT/71/22-23	2 Mar 2023	Notice of Motion: Tree Planting	To consider a report in response to the Notice of Motion referred to the Committee by Council.	Director of Highways and Infrastructure	N/A	No	No	Ensure that there is transparency in all aspects of council decision making	No
HT51/22-23	2 Mar 2023	2022/23 Financial Update	To receive an update on the financial position for 2022/23. To note or approve virements and supplementary estimates as required.	Director of Finance and Customer Services (s151 Officer)	No.	No.	Yes.	Ensure that there is transparency in all aspects of council decision making	No.
HT/69/22-23	2 Mar 2023	Highways Tree Safety Inspection Policy'	To seek approval to the tree safety inspection policy for highways to allow its implementation from 2023/24 onwards.	Director of Highways and Infrastructure	N/A	No	Yes	Ensure that there is transparency in all aspects of council decision making	No
HT/74/22-23	2 Mar 2023	Highways and Transport 2023/24 Programme	The report will inform the Committee of the capital and revenue budgets available for the highway service for 2023/24 and the allocation of those budgets to the various programmes of work.	Director of Highways and Infrastructure	No	No	Yes	Open	TBC

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
HT/26/21-22	TBC	Flowerpot Junction Improvement Scheme	Authorise to make Compulsory Purchase Orders and Side Road Orders for the delivery of the Flowerpot Junction Improvement Scheme and to approve the forward funding of the additional developer contributions in accordance with the capital programme.	Director of Highways and Infrastructure	Yes.	Yes.	Yes.	Welcoming, safe and clean neighbourhoods	Yes, in part.
HT/44/22-23	TBC	Middlewich Eastern Bypass Full Business Case Approval	To approve the full business for the scheme for submission to DfT	Director of Highways and Infrastructure	N/A.	TBC.	No.	Welcoming, safe and clean neighbourhoods	No.
HT/45/22-23	TBC	A500 Full Business Case Approval	To approve the full business for the scheme for submission to DfT.	Director of Highways and Infrastructure	N/A.	TBC.	No.	Welcoming, safe and clean neighbourhoods	No.